United Nations S/2003/937

Security Council

Distr.: General
28 October 2003

Original: English

Letter dated 28 October 2003 from the Chairman of the Security Council Committee established pursuant to resolution 1343 (2001) concerning Liberia addressed to the President of the Security Council

On behalf of the Security Council Committee established pursuant to resolution 1343 (2001) concerning Liberia, and in accordance with paragraph 25 of resolution 1478 (2003), I have the honour to submit the report of the Panel of Experts.

I would appreciate it if this letter, together with its enclosure, were to be brought to the attention of the members of the Security Council and issued as a document of the Council.

(*Signed*) Munir **Akram**
Chairman
Security Council Committee established pursuant
to resolution 1343 (2001) concerning Liberia

03-54325 (E) 301003

Annex

Letter dated 2 October 2003 from the Chairman of the Panel of Experts on Liberia to the Chairman of the Security Council Committee established pursuant to resolution 1343 (2001) concerning Liberia

On behalf of the members of the Panel of Experts on Liberia, I have the honour to enclose the report of the Panel, in accordance with paragraph 25 of Security Council resolution 1478 (2003).

(*Signed*) Atabou **Bodian**
Chairman
Panel of Experts on Liberia

(*Signed*) Arthur **Blundell**

(*Signed*) Damien **Callamand**

(*Signed*) Enrico **Carisch**

(*Signed*) Caspar **Fithen**

(*Signed*) Harjit Singh **Kelley**

Report of the Panel of Experts appointed pursuant to paragraph 25 of Security Council resolution 1478 (2003) concerning Liberia

Contents

		Paragraphs	Page
	Abbreviations		5
	Summary	1–8	6
	Observations and recommendations	9–10	7
	Introduction	11–30	10
	A. General	11–14	10
	B. Methodology of the investigation	15–24	10
	C. Basis for the sanctions regime	25–30	12
I.	Liberia and regional instability	31–86	13
	A. General	31–50	13
	B. Refugees	51–54	17
	C. Diversion of government revenues	55–86	18
II.	Violations of the arms embargo	87–110	23
	A. The Belgrade/Nigeria connection	87–89	23
	B. The Nigerian end-user certificate story	90	24
	C. The Democratic Republic of the Congo connection	91–94	24
	D. Liberia: the last delivery	95–97	25
	E. Arming non-State actors	98–105	25
	F. Role of ECOWAS	106–110	27
III.	Civil aviation	111–124	27
	A. Multilateral cooperation	112–116	27
	B. Air traffic	117–118	28
	C. Airlines used for arms trafficking	119	28
	D. Observations	120–122	29
	E. Conclusions and recommendations	123–124	29
IV.	Diamonds	125–146	29
	A. General situations	125	29
	B. Trends in diamond production	126–129	30
	C. Cross-border trafficking	130–133	31

	D. Access to international markets	134–139	32
	E. Diamond trading by the former regime	140	33
	F. Conclusions and recommendations	141–146	33
V.	Timber products	147–166	34
VI.	Assessment of the humanitarian and socio-economic impact of timber sanctions	167–174	37
VII.	Travel ban	175–180	38
VIII.	Maritime operations in Liberia	181–191	39
Annexes			
I.	Letter of appointment		42
II.	Meetings and consultations		43
III.	Letter dated 18 September 2003 from the Acting Minister for Foreign Affairs of Liberia to the Chairman of the Panel of Experts		50
IV.	Death certificate of Samuel Bockarie		51
V.	Letters from the Government of Nigeria		52
	A. Letter dated 13 May 2002		52
	B. Letter dated 15 June 2002		53
	C. Undated letter, No. 119-091/02		55
	D. Undated letter, No. 256-099/02		57
	E. Letter dated 9 October 2002 from the Nigerian Embassy, Belgrade		59
	F. Letter dated 28 November 2002		60
VI.	Photograph of container blocked at Robertsfield International Airport, 6 September 2003		61

Abbreviations

AFL	Armed Forces of Liberia
ASECNA	Agence pour la sécurité de la navigation aérienne en Afrique et à Madagascar
ATU	Anti-Terrorist Unit (Liberia)
CDF	Civil Defence Forces
ECOMIL	ECOWAS Mission in Liberia
ECOWAS	Economic Community of West African States
FDA	Forest Development Authority (Liberia)
FIR	Flight Information Region
ICAO	International Civil Aviation Organization
ICRC	International Committee of the Red Cross
IMF	International Monetary Fund
LISCR	Liberian International Shipping and Corporate Registry
LPRC	Liberian Petroleum Refining Company
LURD	Liberians United for Reconciliation and Democracy
MODEL	Movement for Democracy in Liberia
MWPI	Maryland Wood Processing Industries
OTC	Oriental Timber Corporation
RIA	Robertsfield International Airport
RUF	Revolutionary United Front
RTC	Royal Timber Corporation
SSS	Special Security Services (Liberia)
UNAMSIL	United Nations Mission in Sierra Leone
UNDP	United Nations Development Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNIDO	United Nations Industrial Development Organization
UNMIL	United Nations Mission in Liberia
WFP	World Food Programme

Summary

1. The situation in Liberia is changing rapidly. President Charles Taylor departed from Liberia on 11 August 2003. A peace agreement was signed by the Government of Liberia, MODEL and LURD in Accra on 18 August 2003. Gyude Bryant was appointed Chairman of the National Transitional Government, which took power on 14 October 2003. International stabilization forces of 15,000 under the United Nations Mission in Liberia are expected. Levels of violence are declining; however, until UNMIL forces are deployed throughout the country, and disarmament, demobilization and reintegration efforts are fully under way, the current proliferation of weapons in Liberia and the subregion continues to be a threat to peace and stability not only in Liberia but also in neighbouring Côte d'Ivoire, Guinea and Sierra Leone. The Panel continues to find evidence of the support of Guinea for LURD. After the signing of the peace agreement, the Panel witnessed efforts by Guinea to control the presence of LURD forces in the Forest Region (Guinée forestière).

2. The challenge now for the international community is to provide adequate support to the Transitional Government while remaining vigilant to the re-emergence of corruption and State-sanctioned violence.

3. Significant unquantified domestic debts resulting from corrupt practices will threaten the economic reconstruction of Liberia. In addition, an acute shortage of government revenue, which the National Transitional Government will encounter as it assumes power, will be a major obstacle. Salaries for civil servants are not guaranteed and even the most basic government services can be maintained only with the support of the international community.

4. **Weapons**. Despite a ceasefire, on 6 August 2003 the Liberian Minister of Defence attempted to receive a shipment of weapons at Robertsfield International Airport. Quick thinking by Nigerian peacekeepers ensured that the Minister failed to leave the airport with the weapons, and they remain inside a locked container on the tarmac, awaiting an official inspection by the United Nations. The origin and exact contents of the container are unknown, beyond the contents being arms and ammunition delivered in violation of United Nations sanctions. An additional 29 weapons of Serbian manufacture, from the 210 tons delivered from Belgrade in 2002 and reported by previous Panels, were recorded in the possession of Liberian government troops during the current investigation. The Panel believes that these illicit imports of Serbian weapons significantly increased the Liberian Government's fire power in 2002. There may have been further deliveries to Liberia using an end-user certificate from the Republic of the Congo obtained by a previous Panel. This can be verified only when the weapons in the container at the airport have been analysed. End-user certificates remain a loophole under which illicit shipments of weapons have been made. The Panel obtained further documentation of how a false Nigerian end-user certificate was used in 2002 and has greater doubts on the authenticity of a certificate from the Democratic Republic of the Congo it obtained in 2003. Incorrect manifesting is also a common tactic to disguise shipments of weapons. The Panel found that Katex Mine Guinea had imported civilian "technical equipment" or "detergent" loaded in the Islamic Republic of Iran. When it was unloaded, the Panel observed that the cargo was contained in rectangular boxes painted green, which were put by soldiers into military trucks.

5. **Diamonds**. The restrictions imposed by resolution 1478 (2003) on the trafficking of Liberian diamonds have failed to prevent their trade either regionally or internationally. While there has been a recent, steady decline in production, this has been a direct result of acute internal insecurity and operational constraints imposed by seasonal climatic conditions, rather than the impact of sanctions. Liberian diamonds continue to flow on to the international market and the internationally accredited certification scheme introduced by neighbouring countries under the terms of the Kimberley Process has failed to prevent this. The flow will continue as production increases within the context of improving security and the onset of the dry season.

6. **Civil aviation**. Liberia's non-compliance with the letter of agreement between Robertsfield FIR and the Control Unit continues to endanger air safety in the region. Flight movements in and out of Liberia remain uncoordinated. The new Liberian aircraft registry is still not operational.

7. **Forest products**. There is little evidence of violations of the timber sanctions. However, civil war and the rainy season have effectively prevented a resumption of logging since sanctions entered into force on 7 July 2003. The real test for sanctions will come in November 2003, when conditions in the forest allow for logging. UNMIL forces should monitor the primary ports and border crossings to ensure that forest products do not leave Liberia. The sanctions should remain until the industry and the Government of Liberia have been reformed along the principles of good governance, especially acceptance of the rule of law. Until this occurs, the international community can have no guarantee that revenue from the timber industry will not further conflict in the region.

8. **Socio-economic and humanitarian impact of timber sanctions**. Nearly 20 per cent of Liberia's population is currently living in refugee camps, and almost the entire population depends on some form of nutritional and medical support from the international community. Because prolonged fighting throughout the country has been the dominant destructive force, any narrow analyses will conclude that the sanctions have had little socio-economic or humanitarian impact on the population of Liberia. If one takes a broader view however, one cannot omit the fact that Liberia's economy will suffer from the elimination of significantly more than 50 per cent of export income as a result of the timber ban.

Observations and recommendations

9. The Panel would like the following observations to be noted:

(a) The Transitional National Government lacks funding to operate properly and rebuild the necessary institutions to govern.

(b) Porous borders and insecurity in neighbouring countries have made the full enforcement of the arms embargo impossible.

(c) Only one shipment of weapons has been blocked; that occurred after ECOMIL forces took control of Robertsfield Airport on 7 August 2003.

(d) Insecurity and seasonal climatic factors have led to a recent decline in diamond production; however, diamonds continue to flow on to the international market and certification schemes in neighbouring countries fail to prevent this.

(e) Since 2000, Liberia has violated the rules of civil aviation. The Minister of Transport indicates, however, that Liberia intends to comply with the standards and practices of ICAO.

(f) The lack of human resources and equipment for Liberia's civil aviation was observed during the Panel's visit to Monrovia in September 2003.

(g) There have been few violations of timber sanctions, but war and the rainy season have prevented logging. The test for sanctions will occur in November 2003 when conflict decreases, the rains end, and timber operators may resume logging.

(h) A significant proportion of former logging employees and their families are living in refugee camps in neighbouring countries or as internally displaced persons in camps around the capital. An unknown number have also joined the warring factions.

(i) The travel ban is being violated.

(j) No mechanism exists for monitoring the offshore marine activities of Liberia and the utilization of funds from the Liberian International Shipping and Corporate Registry is surrounded in secrecy.

(k) While the deployment of UNMIL forces and a significant increase in the presence of non-governmental organizations represents a positive change, attention should be paid to potential increases in the cost of housing, in particular. Already price increases for housing, food and medical supplies affect Liberians negatively, while the local business community continues to enrich itself.

10. The Panel recommends:

(a) That all Security Council sanctions remain in place.

(b) That the United Nations establish a process using UNMIL to monitor the main ports, airports and border crossings to ensure that sanctions are not violated and that all illegal shipments are seized.

(c) To protect the incoming Transitional National Government from corruption and diversion of government revenues, and to assist in rebuilding corrupted Liberian institutions such as the Forest Development Authority, the Petroleum Refining Company and the International Shipping and Corporate Registry, the Panel recommends the formation of an independent economic commission of inquiry. The commission should conduct systematic investigations of all revenue-producing entities wishing to be active in Liberia, including:

- All operations involved in managing State-owned assets
- All entities currently in control of concessions or management agreements for natural resource exploitation
- All significant business operations.

Although the commission's investigation would probably be conducted without subpoena powers and participation would be voluntary, the commission would submit to the Transitional National Government on each investigated entity a report and a recommendation to revoke, modify or maintain existing business licences, contracts or natural resource utilization management agreements.

(d) To prevent Charles Taylor through his intermediaries from further diverting government revenues and to facilitate the repatriation of already diverted funds, the Panel recommends that financial sanctions should be imposed on all accounts, assets and property owned and controlled by Charles Taylor directly or indirectly.

(e) The embargo on the export of Liberian rough diamonds should remain in place until a closely monitored, internationally accredited certification scheme can be effectively implemented within the context of broad sector reform.

(f) The United Nations and other donors should assist the Liberian civil aviation authorities to improve urgently the level of professionalism of their staff as well as the quality and quantity of their training capabilities; this would also include providing technical assistance.

(g) The Liberian forestry sector must be reformed under the standards of good governance.

(h) A national sensitization campaign should be launched as soon as possible, to better inform Liberians about the justification for sanctions, including on timber. A national consultative forum that brings together credible representatives of all the stakeholder groups to deliberate the future of Liberia's forests and the logging industry should follow such a campaign almost immediately.

Introduction

A. General

11. Pursuant to Security Council resolution 1478 (2003) of 6 May 2003, the Secretary-General appointed a Panel of Experts to conduct a follow-up assessment mission to Liberia and neighbouring States, in order to investigate and compile a report on:

(a) The Government of Liberia's compliance with the demands contained in resolution 1343 (2001), by which the Council imposed sanctions on the trade in weapons and diamonds and restricted travel until Liberia ceased supporting conflict in the region;

(b) The use of any revenues of the Government of Liberia in violation of resolution 1478 (2003);

(c) The possible humanitarian and socio-economic impact of timber sanctions (resolution 1478 (2003), para. 17);

(d) Recommendations on how to improve the implementation of sanctions against Liberia.

12. Throughout its work, the Panel remained cognizant of the fact that the demands contained in subparagraphs 2 (a) to (e) of resolution 1343 (2001) were intended to lead to the consolidation of the peace process in Sierra Leone and to further progress in the peace process in the Mano River Union.

13. The Panel of Experts consisted of a timber expert, Arthur Blundell (Canada); a civil aviation expert, Atabou Bodian (Senegal); an expert with Interpol investigative and arms experience, Damien Callamand (France); an expert on financial links, Enrico Carisch (Switzerland); a diamond expert, Caspar Fithen (United Kingdom of Great Britain and Northern Ireland); and a maritime expert, Harjit S. Kelley (Kenya). Mr. Bodian was designated as the Chairman of the Panel. Assistance on the humanitarian and socio-economic aspects of the timber ban was provided to the Panel by a consultant, Tommy Garnett (Sierra Leone).

14. The Panel also kept the Security Council Committee established pursuant to resolution 1343 (2001) informed of the progress of its work, as and when necessary, including preparing a report on the possible humanitarian and socio-economic impact of timber sanctions, (S/2003/779).

B. Methodology of the investigation

15. **Questionnaires**. The Panel requested specific information from the relevant countries, through their Permanent Missions to the United Nations, regarding certain arms shipments, the movement of suspicious aircraft and ships used for the illegal transportation of arms, ammunition and timber, and the activities of certain individuals involved in such deals. The Panel also requested information from a number of States on the financial activities of companies and individuals in support of violations of sanctions. The Panel directed 33 written requests for information and assistance to States, international organizations and companies.

16. The Panel also requested, in letters hand delivered on 23 and 24 June 2003 in Accra to representatives of the Government of Liberia, MODEL and LURD, answers in regard to possible humanitarian and socio-economic consequences resulting from the timber ban; provisions for the implementation of and compliance with the timber ban; measures to prevent the use of child soldiers; support of armed units operating outside Liberia; acquisition of arms and military services; provisions for compliance with the diamond sanctions; provisions in support of the ECOWAS moratorium on small arms; and mercenary activities.

17. None of the three parties provided any answers to these questions.

18. The Panel was also hampered by the lack of cooperation of the Ministry of Finance of Liberia, which, despite repeated requests, did not meet with the Panel, nor did it provide written responses. In a letter dated 18 September 2003, the Liberian Ministry of Foreign Affairs claimed that Liberia was unable to provide documents relating to sanctions because of looting and destruction associated with the recent crisis in Monrovia (see annex III). Likewise a meeting of the Panel with the Sanctions Task Force of the Government of Liberia on 19 September 2003 was largely unproductive, because the representatives attending all claimed that, because of looting, no documents were available that could answer the Panel's requests for information.

19. **Visits to countries**. The Panel travelled extensively to the countries involved, or believed to be involved, in the trafficking of weapons, diamonds and timber, as well as to countries that could provide useful information on such activities. Owing to logistical and other constraints imposed by the situation in the country, only three members of the Panel were able to travel to Liberia and the length of their stay in Liberia was severely limited. One or more members of the Panel visited Belgium, Bulgaria, Cameroon, Côte d'Ivoire, Denmark, France, Ghana, Guinea, Kenya, Lebanon, the Netherlands, Nigeria, Senegal, Serbia and Montenegro, Switzerland, Sierra Leone, Ukraine, the United Kingdom of Great Britain and Northern Ireland and the United States of America. The Panel was unable to visit the Islamic Republic of Iran because of scheduling difficulties encountered with the Iranian authorities.

20. **Field visits**. In order to make a first-hand assessment in Liberia three experts travelled to Monrovia and spent from two to six days there during the week of 15 to 22 September 2003. As all of Liberia was designated as security Phase Five throughout the mandate, travel outside Monrovia was not approved. This severely limited investigations of all violations of sanctions. Other Panel members travelled extensively in the interior of Sierra Leone and Guinea from June to September 2003. Requests were made for appointments with the Ministry of Mines in Guinea in July and September 2003 but none were granted.

21. **Interviews**. In each country visited, the Panel members interviewed governmental authorities and, where relevant, diplomatic missions, civil society organizations, aid agencies, private sector firms and journalists (see annex II). Given the sensitive nature of the Panel's work, many individuals spoke on condition of anonymity.

22. **Assistance from international and regional organizations**. The Panel received useful cooperation and assistance from several international organizations such as UNDP, Interpol, ICAO, ASECNA, the French forces of Operation Licorne,

WFP, UNHCR, UNAMSIL, ICRC, UNIDO, the Danish Refugee Council and the Special Court for Sierra Leone.

23. **Assistance from private commercial enterprises**. The Panel received useful cooperation from a number of private enterprises, including international companies. The Panel received no cooperation from Ecobank or SN Brussels Airlines, and an inadequate response from Western Union.

24. **Standards of verification**. The Panel used the same high evidentiary standards in its investigations as used previously (see S/2001/1015, S/2002/470, S/2002/1115, S/2003/498 and S/2003/779). This required at least two credible and independent sources of information to substantiate a finding. Wherever possible, the Panel also put allegations to those concerned so as to allow them the right of reply.

C. Basis for the sanctions regime

25. In resolution 1343 (2001), the Security Council demanded that Liberia meet five conditions:

(a) Expel all RUF members from Liberia and prohibit all RUF activities on its territory;

(b) Cease all financial and, in accordance with resolution 1171 (1998), military support to RUF by Liberia or its nationals;

(c) Cease importing rough diamonds from Sierra Leone;

(d) Freeze assets that benefit RUF;

(e) Ground all Liberia-registered aircraft until Liberia implemented annex VII to the Chicago Convention on International Civil Aviation.

26. Until those conditions were met, the Security Council imposed sanctions on arms imports to Liberia, diamond exports from Liberia, and the travel of senior members of the Government of Liberia and its armed forces and individuals providing support to armed rebels in countries neighbouring Liberia.

27. Conditions (a) to (d) appear to have been met (see S/2003/498), but (e) remains unimplemented, notwithstanding the progress reported by the Panel and as indicated in resolution 1408 (2002), paragraph 2. Further, there have been repeated violations of the sanctions imposed by resolution 1343 (2001) and extended by resolutions 1408 (2002) and 1478 (2003). Liberian individuals continue to support armed rebels in Liberia and Côte d'Ivoire. In addition, in paragraph 4 of resolution 1408 (2002) and paragraph 9 of resolution 1478 (2003), the Security Council demanded that all States in the region cease military support for armed groups in neighbouring countries, take action to prevent armed individuals and groups from using their territory to prepare and commit attacks on neighbouring countries and refrain from any actions that might contribute to further destabilization of the situation in the region.

28. The Council has also called upon the Government of Liberia to establish audit regimes and to ensure that revenue from shipping and timber are used for legitimate purposes that do not violate the sanctions (resolution 1408 (2002)). These requirements have not been met.

29. To further increase pressure on the Government of Liberia and other combatants, the Security Council extended sanctions to all timber products originating in Liberia (resolution 1478 (2003)).

30. Given that the rationale for sanctions has been to reduce conflict and restore order in the subregion, sanctions should remain in effect until it can be demonstrated that their removal will not further conflict.

I. Liberia and regional instability

A. General

31. Since the beginning of the Panel's mandate on 6 June 2003, Liberia has experienced a change of government accompanied by major commitments from the international community. Significant evidence has been collected by the Panel and other parties that the forces of the Government of Liberia, and those of the non-State actors LURD and MODEL, have broken agreements made at the Accra peace conference and have committed human rights abuses in order to advance their strategic and political ambitions.

Liberia

32. The 14-year period of endemic insecurity in Liberia has produced a generation of acutely traumatized young people. While the signing of the peace agreement in Accra on 18 August 2003 and the subsequent deployment of international peacekeeping forces has reduced tension in the sub-region, the risk of banditry remains high.

33. Aid agencies estimate that, during the course of the conflict, 15,000 child soldiers were conscripted to fight for government militias and armed non-State actors. UNICEF has launched an emergency appeal for $7 million to establish schools for 750,000 children, which would also assist in the demobilization of child soldiers.

34. The Panel has not been able to determine to what extent forces of the Government and non-State actors stationed in the outlying areas of Liberia will respond to a disarmament, demobilization and reintegration programme. While military leaders of Liberian government forces, in particular General Benjamin Yeaten, head of the paramilitary forces ATU and SSS, assured the Panel of full cooperation at a meeting late in September, roadblocks and patrols by elements of the State security apparatus remain common.

35. In mid-September, Sekou Conneh, the leader of LURD, officially announced that his troops would stand down. However, even though 3,500 troops of the West African peacekeeping force ECOMIL have been deployed since late August, small-scale hostilities continue daily in many parts of Liberia. At the same time, United Nations aid organizations are establishing five regional outposts, at Saclepea (Nimba County), Voinjama (Lofa County), Gbarnga-Phebe (Bong County), Harper (Maryland County) and Zwedru (Grand Gedeh County), from which they will deliver humanitarian assistance to the interior of the country. Some of these areas have not been reached for more than three years. These efforts are impeded by the continuing hostilities of armed groups.

36. The Government claims that its troops have been deployed in parts of north-central Liberia to act as a buffer between civilians and LURD forces. Irregular supplies of food and pay encourage government and LURD forces to loot, however. In consequence, local populations continue to be displaced.

37. As at 23 July 2003, UNHCR estimated that the number of Liberians living outside Liberia either as refugees or asylum seekers was approximately 570,184. It is likely that this figure has since risen. Although aid agencies are prepared to assist these Liberians, their eventual repatriation will burden the National Transitional Government and the international community. There are concerns within the aid community that overpopulated refugee camps in Sierra Leone and Guinea may create tensions among host communities.

Guinea

38. Evidence for violations of the arms and diamond embargoes by Guinea and individuals operating from Guinea has been presented by previous Panels (S/2001/1015, paras. 174-188, 363, 367 and 441; S/2002/470, para. 110; S/2002/1115, paras. 94-95, para. 130 and box on p. 30; and S/2003/498, paras. 67, 68, 110 and 111).

39. The current Panel has found additional evidence with regard to the allegations previously made (S/2003/498, para. 110) that secret weapons deliveries to LURD were organized by the Conakry-based company Katex Mine Guinea.

40. During meetings with the Panel, the Government of Guinea has consistently refuted any allegations about its support to LURD. However, on page 4 of its 8 September 2003 issue, the *Observateur*, a weekly Guinean newspaper, states in an article entitled "The United Nations Representative in Liberia meets the Prime Minister of Guinea" that, "according to diplomatic sources in Conakry, where Sekou Conneh, its leader, lives, the LURD is supported and armed by the Guinean Government with the purpose of destabilizing the Monrovia regime. The authorities in Conakry formerly denied this, even before they were to acknowledge, recently, the effective presence of the central core of this group, through the Minister of Foreign Affairs of Guinea, Lounceny Fall". The Panel is not aware that any statement officially denying the article has been issued.

A meeting with the Chairman of LURD

The Panel met Sekou D. Conneh, leader of Liberians United for Reconciliation and Democracy (LURD), on 16 September 2003 in Conakry, as he was preparing to return to Liberia. According to Mr. Conneh:

1. **Return**. He is returning as a "liberator" and has had thousands of T-shirts printed with that slogan beneath his image. On his way to Tubmanburg, where he intends to settle, he will stop first in Voinjama, an already liberated district where education and health care are free.

2. **Arms and ammunition**. Sixty per cent of the weapons and ammunition of his 9,000-strong army had been seized from Charles Taylor's regular army. The other 40 per cent is the product of a personal arrangement on the borders between Guinea and Sierra Leone.

3. **Support from Guinea**. The rebel leader acknowledges having received "invaluable" support from Guinea at a certain point in his fight. He thanks that "friendly country".

4. **Programme**:

- **Participation by his movement in the future Government**. His party will take five portfolios.
- **Transformation of LURD into a political party**. No decision has been made as yet. There is a possibility of merging with one of the innumerable political parties which already exist.
- **Restructuring of the army**. An absolute priority.
- **Social vision**. There was no answer to this question.

5. **Charles Taylor's return to Liberia**. Out of the question. His life is in danger.

6. **Disarmament**. The Security Council should speed up the disarmament process. His movement needs US$ 5 million for that purpose.

7. **Diamonds and timber**. No exports of these products will be tolerated.

8. **Embargo**. The arms embargo should be maintained until after the transition period and the elections.

9. **Relations with other parties**. No personal relations.

10. **Transition period**. The future President (Gyude Bryant) should not take unilateral decisions. All parties should be consulted on matters, especially decision-making.

11. **Financing of LURD**. The movement is financed by the Liberian diaspora. However, despite the significant sums it receives each month, LURD remains poor and is sometimes unable to pay its soldiers.

Côte d'Ivoire

41. By the end of September 2003 the Forces nouvelles had officially pulled out of the Government of National Unity of Côte d'Ivoire and retreated to their stronghold in the north. With this split the French-brokered peace agreement of January 2003 is threatened and parts of Côte d'Ivoire may once again become a haven for marauding bands of mercenaries and combatants.

42. This is of particular concern because political leaders of the Forces nouvelles acknowledged to the Panel that they had asked for and received support from Charles Taylor and that the President of Côte d'Ivoire, Laurent Gbagbo, had provided arms and logistical support from the armed forces of Côte d'Ivoire (FANCI) to Liberian rebel fighters.

43. Persistent media reports in Abidjan concerning Comstar telecommunications, financial misconduct and money-laundering by high-level Liberian and Ivorian politicians, and funding of LURD and MODEL have undermined the public's confidence in the Government of Côte d'Ivoire and the judiciary. This scandal is just one example of the destabilizing effects of the Liberian conflict throughout the region.

44. The Panel obtained information to the effect that an alleged representative of the Government of Côte d'Ivoire named Richard Tho was in charge of the coordination of the Lima rebel forces. Tho is said to have a business card with the seal of the Presidency of Côte d'Ivoire, and is allegedly responsible for making salary payments to the Lima forces. Information has been obtained that the Lima forces now number 1,000 and control the western part of Côte d'Ivoire.

45. Racketeering by police forces continues in Côte d'Ivoire. At least 24 taxi drivers have been killed in Abidjan over the past two years after refusing to pay bribes. A Panel member witnessed the police demanding bribes from taxi drivers.

Sierra Leone

46. Although the United Kingdom and UNAMSIL have focused their support on building security capabilities of the Government of Sierra Leone in order to prevent a repetition of the RUF insurgency, fears regarding the ability of the Republic of Sierra Leone Army to maintain territorial integrity have proved durable. However, the exile of Charles Taylor is likely to assuage these concerns, particularly after the expiration of the mandate of UNAMSIL in March 2003. Nevertheless security concerns remain, in particular in the eastern border town of Koindu in Kailahun District, where residents and researchers have observed a strong influence of elements of the former RUF.

47. There are high expectations in Sierra Leone about the end of the Liberian conflict. Sierra Leonians note with optimism the rapid return of many humanitarian relief agencies to Monrovia, many of which are now conducting needs assessments in the parts of the country that are accessible.

48. The body of Sam Bockarie, who faced charges of war crimes since 10 March 2003 by the Prosecutor of the Special Court for Sierra Leone, was returned to Sierra Leone and an autopsy was conducted on 2 June 2003 at Connaught Hospital, Freetown (see annex IV). It remains unclear who was responsible for his death. His

body was found on Liberian territory. Oral reports made to the Panel indicated that it was in a place close to Danané on the Ivorian border.

49. In the past the Panel has attempted many times to interview Mr. Bockarie and it was known from various reports that he was in the area of Guiglo and Man. New information obtained by the Panel indicates that he was attempting to take ownership of a gold mine in western Côte d'Ivoire, in the area of Itty near Danané. Some reports made to the Panel also indicate that he was taking weapons from the Ivorian rebel forces by force. This confirms the fact that Mr. Bockarie was operating independently of any control by the warring factions. The Panel has been unable to trace the whereabouts of Mrs. Bockarie and her family. It has been alleged that they were executed by the Special Security Services in Monrovia about three weeks after Sam Bockarie's death.

50. UNHCR, the lead agency providing care and maintenance for nearly 63,000 Liberian refugees in Sierra Leone, is considering an organized repatriation of refugees from October 2004. The office is also prepared to continue providing assistance to existing caseloads beyond October 2004, however, if the situation in Liberia does not improve sufficiently to allow for the safe return of Liberians within that period. The rationale for this approach is that the interim government should be allowed to concentrate fully, during this initial period, on the disarmament, demobilization and reintegration of former combatants and the creation of an enabling environment for a new democratic dispensation in post-war Liberia.

B. Refugees

51. Refugee camps in Côte d'Ivoire, Guinea and Ghana have been used by all parties to the conflict as reservoirs for recruitment.

Nicla refugee camp, Côte d'Ivoire

52. Nicla refugee camp near the city of Guiglo has been operated by UNHCR since May 2003, and the situation has therefore improved slightly: there are no more shootings in the camp. Despite the presence of UNHCR, however, soldiers still enter the camp, as the Panel witnessed in July 2003, and both the refugees and authorities in the camp still want to move to another area to escape recruitment.

Refugee camps in Guinea

53. UNHCR was able to take effective action against LURD recruitment in the Kouankan refugee camp, close to Nzérékoré, by moving vulnerable inhabitants further away from the Guinea/Liberia border and relocating them in the Laine camp. Children between the ages of 14 and 17 were especially prone to recruitment by LURD, particularly as schools are located outside the Kouankan camp. UNICEF reported that some schools were forced to close after children disappeared in June 2002 and failed to return at the beginning of the new school year in September.

Ghana

54. The Budumbura refugee settlement, established in 1990, holds 30,000 refugees. The forces in charge of the security of the camp (seven police officers from Ghana and 200 camp volunteers form a "watch team") reported no cases of

forced recruitment during the Panel's visit on 21 June 2003. According to statements by refugees, however, attempts were made by the Government of Liberia to recruit fighters during March and June 2003.

C. Diversion of government revenues

General

55. The Panel's investigation into diversion of government revenues has found that former President Charles Taylor has diverted and continues to divert revenues and assets of the Government of Liberia. The Panel has found evidence that President Moses Blah has not been able to stop similar practices by associates of the former Government, and members of MODEL and LURD, the two armed non-State actors who will become part of the Transitional National Government.

56. Two factors are essential parts of the diversion strategies: the monopolistic structure of Liberia's economy and the dominant control by foreign interests over natural resource exploitation, import/export, financial services and manufacturing industries.

Diversion of funds by Charles Taylor

57. Charles Taylor's hold over Liberia's economy has left significant liabilities to the Government of Liberia. As Taylor's corrupt financial schemes increased to administratively unsustainable levels, the Ministry of Finance began to record revenue diverted into the respective government accounts as "non-cash revenue". As part of this "revenue recognition" system, the payees would receive a "non-cash revenue certificate", tax credits or other drawback instruments. Unknown amounts of such debt certificates have been issued to vendors, suppliers and other creditors of the Government of Liberia. There is an urgent need to assess the debt and to investigate to what extent debt certificates have been issued as part of fraudulent schemes. Neither the current Minister of Finance, Charles Bright, nor his predecessor, Nathaniel Barnes, were willing to talk to the Panel.

Partners in corruption

58. All of Liberia's high-profit industries, licit and illicit, were subject to Taylor's control. A select few and trusted individuals, among them the former Deputy Minister of Finance, Juanita Neal; Taylor's personal assistant, Kadiyatu Dara; the managing director of the Liberian Petroleum Refining Company, Belle Dunbar; and Talal Nassereddine (better known in Liberia as Talal Eldine) collected budgetary and extrabudgetary revenues, forced themselves into partnerships of private corporations on Taylor's behalf and dispersed collected funds as directed by Taylor. The Panel has already provided one example (see S/2003/498, paras. 151-156).

59. On 18 and 19 September 2003, during the Panel's visit to Monrovia, a meeting with Juanita Neal and Charles Bright was requested but was declined by officials of the Ministry of Finance.

60. Mrs. Dara and Mrs. Dunbar could not be located by the Panel; during its previous mandate, the Panel's requests for meetings with Mrs. Dara were declined. Mr. Nassereddine met with the Panel on numerous occasions in Monrovia during the previous mandate. Towards the end of May 2003, Mr. Nassereddine left Liberia and

was contacted in August by telephone in his new home in California, United States of America. Once again, he was invited to disclose his financial relationship with Mr. Taylor. He declined and continued to claim that he related to Taylor in a strictly non-commercial friendship. Subsequently, an attorney based in Washington, D.C., claiming to represent Mr. Nassereddine contacted the Panel by telephone to discuss unspecified further matters. The Panel has declined to converse with Mr. Nassereddine through an intermediary but recommends extensive further investigations in regard to the question whether he acted as a front man for Charles Taylor or whether he simply used his well-known friendship with the former President to profit personally.

Fuel importation

61. The main reason why Liberians have paid an exorbitant $3 per gallon for fuel is an agreement between Charles Taylor, Belle Dunbar and a private entity controlled by Ghassan Basma and Jamal Basma, which guaranteed Taylor a number of financial benefits. Nominally, LPRC set the price of fuel and collected some gains, designated as taxes.

62. Each month, Kadiyatu Dara collected additional taxes that amounted to between $300,000 and $600,000 in cash directly from the Basma operation. On direction from Taylor, she distributed those funds to ATU, SSS and other paramilitary services as salaries.

63. The Basma family had secured the exclusive five-year supply agreement in September 1998 against a $10 million loan payment in goods, such as cars and earth-moving equipment, to Taylor. The payment was entered into the government accounts as a prepaid tax. One stipulation of the exclusive agreement ensured automatic renewal as long as the loan including interest was not repaid by the Government. Currently, the outstanding debt is approximately $2 million. In other words, the $10 million "loan" to Taylor, which secured the Basma family the lucrative fuel import contract, was allowed to be recorded as expenditure against taxes due to the Government.

64. The harmful effects of the fuel schemes continue. On 30 August 2003 the total fuel reserves of Liberia had dwindled to 800,000 gallons. On that date, a first shipment of 2,500 tons of gasoline, 1,800 tons of diesel and 1,342 tons of A-1 jet fuel was offloaded at the free port of Monrovia. Two weeks later, 5,500 more tons of gasoline were imported. These fuel deliveries, totalling 2.94 million gallons, went immediately on to the market at a price of $2.90 per gallon for diesel and $3 per gallon for gasoline. As explained in table 9 of the Panel's previous report (S/2003/498), these retail prices contain, after deducting "taxes", gains to importers of at least one third of the wholesale price. But the aforementioned deliveries of 2.94 million gallons of fuel went on the market at a time when government agencies such as LPRC, Customs and the Ministry of Finance were not fully operational. Consequently, there is a strong suspicion that the importers or others may have pocketed all taxes and gains totalling several million dollars just from those two most recent deliveries.

Rice importation

65. The original rice supply agreement, which secured exclusive rights for Bridgeway Corporation, owned by George Haddad, included the provision of

approximately 72,000 bags of "free" rice deliveries to Charles Taylor, for the year 2002. The free rice deliveries represented a value of $1.3 million per year. Taylor distributed the rice among his military and paramilitary forces. According to witnesses, Bridgeway was authorized by the former President to charge the "free" rice to the Ministry of Finance, for which Bridgeway obtained "non-cash revenue certificates".

66. Even after deducting all official taxes, import duties and fees raised on the rice importation, the Panel and other authorities have calculated that approximately $5 or $6 in profits was built into the retail price of $20 to $22 per bag. These excess profits were collected by Taylor in cash or deposited in an account at Tradevco Bank, which is administered by Kadiyatu Dara and others.

67. Large enterprises that were exempt from buying rice through Bridgeway included the Oriental Timber Corporation/Royal Timber Corporation, Maryland Wood Processing Industries and Firestone. This led to indirect benefits for Taylor. MWPI regularly purchased almost double the quantity of rice required to feed its employees, the workers of the affiliated rubber plantation and the Cape Palmas port operation. The surplus imports of approximately 2,500 bags were sold by MWPI owner Abbas Fawaz to the local population and to feed ATU and SSS soldiers frequently stationed at his logging camps. The Fawaz side-trade netted additional gains of up to $10,000 per month. In return, Mr. Fawaz, through his bank accounts in Switzerland and France, took care of expenses that Taylor incurred during his trips to Europe.

68. In 1999 the Council of Economic Advisers protested against Bridgeway Corporation's rice monopoly. Since then, a small percentage of rice imports has been handled by other firms.

Timber industry

Mismanagement

69. Charles Taylor justified his forest management policies by the need to optimize the economies of scale. As a consequence, a number of Liberians and other entrepreneurs either lost their logging concessions or had to switch to less attractive ones so as to allow the granting of large concessions, typically larger than 500,000 to 2 million acres, to new and better-funded operators. The Panel believes that Taylor's true motivation was to facilitate the extraction of larger sums of money from logging companies amenable to his coercive tactics.

70. Taylor's schemes have deprived the Liberian people of substantial income. Forests are Liberia's most valuable natural resource and Liberians have every right to the maximum benefit of their resources. No up-to-date inventories exist by which to estimate the full economic potential that the forest could represent to Liberians, but the mere fact that a substantial majority of the concession lands is controlled by non-Liberians reveals a deep inequity.

71. There are unresolved issues in regard to the size of concessions. An informal survey conducted by the Panel revealed that logging companies often exploit their concessions inefficiently. The reason given was that the concession areas were too large and that, to achieve a more efficient use, substantial additional investments in logging equipment, processing facilities, port facilities, reforestation programmes,

skilled employees and social services would be required. While extensive areas of some timber concessions are overexploited, huge tracts of forest within other concessions are left unused, so that Liberians benefited only through land rental fees — if they were paid by the loggers.

Exclusion of Liberians

72. In addition to Taylor's macro-economic mismanagement, political considerations and unsustainable competitive pressures by foreign-owned companies eroded the Liberian-owned forestry companies. Of the original 33 concessionaires of Liberian nationality (pre-Taylor), only 9 still exist, but with concession areas of often less than 250,000 acres; most of them are teetering on the brink of bankruptcy. Only two individuals (Oscar Cooper and Gabriel Doe) had been able to obtain large concessions under Taylor.

73. An example is the North-Eastern Logging Enterprises, which was founded by Ricks Toweh in 1999 with significant European investment. As he was a political opponent of Taylor, Toweh's original logging concession had been revoked and given to the Mohammed Group of Companies owned by Mohammed Salame. Taylor is alleged to have had Toweh's father killed. In 1999 Toweh wrote a protest letter against the admission of OTC into the Liberian forests. Taylor allegedly had Toweh jailed three times and had him beaten severely. Toweh persevered and did obtain a new concession area of a total of 250,000 acres, broken up in three areas in Bong, Grand Cape Mount and Nimba Counties. On average, 70 employees, all Liberians, worked for that operation with the help of equipment valued at $650,000.

Diversion of government revenue

74. Beyond the information provided previously (S/2003/498, paras. 151-156), the Panel has not been able to prove additional diversions of government revenue from the forest industry and none of the assistance requested from the Governments of the United States, the United Kingdom (despite attempts by the Permanent Mission to the United Nations to facilitate the request with the Financial Services Commission and the Attorney General in Jersey), Switzerland and China, for investigating the nine bank accounts referred to in the aforementioned report, has been provided. Burkina Faso has not responded to a request in regard to two accounts under the name of Jean Paul Sone, alleged to be an alias of Charles Taylor.

Gold, diamonds and iron ore

75. Throughout his tenure, Charles Taylor, his Minister of Lands, Mines and Energy, Jenkins Dunbar, and others allegedly enriched themselves through the privatization of all natural resource exploitation. A well-known example, predating the 1997 election, is a $17.5 million advance from the Amalia Gold Mining and Exploration Company of South Africa towards a partnership with the Government of Liberia for the exploitation of Liberia's mineral resources. More recent attempts involving the granting of diplomatic status to foreigners would require additional investigations by the Panel.

International Shipping and Corporate Registry

76. Witnesses report that, in addition to the disclosed income of the Liberian International Shipping and Corporate Registry, profits of up to $5 million were

generated by certifications of ships and ship crews conducted through LISCR offices around the world. This income appears to have been diverted, as is the entire income of the corporate registry.

77. Funds diverted from LISCR were invested through the Taylor-controlled Lofa Holdings and other corporate vehicles in real estate outside Liberia. Even from his exile, Charles Taylor has attempted to sell some of those properties, including one in South Africa which had been used to house the Liberian Embassy.

Bureau of State Enterprises; National Social Security and Welfare Corporation

78. Successive government administrations of Liberia have over the years established control over approximately 30 to 40 commercial operations, which are supposed to be supervised by the Bureau of State Enterprises. Under Charles Taylor, those enterprises were treated as his personal assets. There is also substantial evidence that he misappropriated nearly all the money that was paid into the National Social Security and Welfare Corporation.

Financial institutions

79. Eyewitnesses reported to the Panel that an employee of the Monrovia-based Ecobank Liberia had on 8 May 2003 transported $800,000 in cash on behalf of Taylor on SN Brussels Airlines flight SN 211. That flight experienced technical difficulties and was diverted to Abidjan for repairs. As a result, passengers had to stay overnight in Abidjan. The Ecobank employee requested assistance from the airline's ground staff because he did not feel safe leaving the aircraft with the cash. It was agreed that SN Brussels personnel would secure the luggage overnight. Repeated requests for information addressed to SN Brussels Abidjan, its Belgium-based headquarters and the Togo-based headquarters of Ecobank have been ignored.

80. As had been the case in previous emergency situations, late in June 2003 the Central Bank of Liberia was requested by the Taylor Government to provide a substantial credit. The Chairman of the Central Bank, who was already in a safe haven in Ghana, decided to return to Liberia to supervise the issuance of the loan. A total of 47 million Liberian dollars was converted to US$ 700,000 and paid out in cash to officials of the Government. There are strong indications that the entire sum was surrendered to Taylor and that he took it to his exile in Nigeria.

Economic exploitation post-Taylor

81. Although the Panel was able to investigate in Liberia for only a very short time, witnesses interviewed confirmed that diversion of government revenues continues under the Government of Moses Blah. Economic advisers of Chairman-elect Gyude Bryant anticipated that once they took over the Government they would find the State coffers empty.

82. Across all levels of government and the armed non-State actors LURD and MODEL, massive stealing, looting and extraction of pay-offs has been ongoing. In addition to the events described above regarding recent fuel imports, the Panel lists the following examples of such illegal activities.

83. The Deputy Minister of Commerce, Martin Nyan, and the Assistant Minister of Commerce, Andy Kwemei, proposed to Bivac International (a subsidiary of the French company Bureau Veritas) the establishment of a pre-shipment inspection

regime for all rice imports. While the rice trade indeed requires immediate corrective attention, information provided to the Panel indicates that the request by the two government officials was not motivated by a desire to improve the import regimen, but simply to extort a bribe from Bivac International.

84. Witnesses reported to the Panel that, under the Blah Government, import duties on selected bulk items are being collected in cash by officials of the Customs authority and the Ministry of Finance. To protect the informants, the Panel will not provide more specific information in writing.

85. Numerous members of LURD and MODEL are implicated in massive looting and fencing operations in Harper, Tubmanburg and Buchanan. Markets of looted goods have emerged in these cities and owners wishing to purchase back vehicles, generators or other goods stolen from them have to pay substantial sums of money. It is evident to the Panel that the illegal underground market is being maintained with the full knowledge and even to the benefit of leading LURD and MODEL leaders.

86. Persistent reports circulate within the logging industry that MODEL has arranged for the transport of sawn timber still stored at the port of Greenville by DABA Corporation. The Panel has had no access to this area and was thus not able to verify reports that trucks are transporting the timber from Greenville to Toetown, across the border to Côte d'Ivoire to Toulépleu and then on to the port of San-Pédro.

II. Violations of the arms embargo

A. The Belgrade/Nigeria connection

87. Weapons brokered by the Belgrade-based company Temex and previously documented (S/2003/498) are still in the possession of government soldiers in Liberia. One hundred and thirty fighters from the Armed Forces of Liberia fled into Sierra Leone in June 2003 after being surrounded in Foya in northern Lofa County by rebel LURD forces. Those AFL soldiers carried with them 28 M70 automatic assault rifles of Serbian manufacture, stamped with the dates 2001 and 2002. The serial numbers of the weapons correspond to the serial numbers of weapons that were exported under a false Nigerian end-user certificate provided to the Panel by the Government of Serbia. The weapons of Serbian origin made up 22 per cent of the total number of weapons inspected by the Panel that had been in the possession of AFL fighters. Those weapons were part of the shipment of 5,000 M70 AB2 rifles delivered to Liberia in six shipments from June to August 2002. The other weapons found on fighters were much older and were from a variety of sources. The Serbian/Temex deliveries represented a significant increase in firepower for the Government of Liberia.

88. On 18 September 2003 the Panel also observed that a military police soldier who escorted the Deputy Chief of Staff of the Liberian Armed Forces also carried a registered AK47 of Serbian origin marked 2002 M70 AB2 798081.

89. The Panel thus during its recent investigations recorded a further 29 M70 automatic rifles which can be added to the 66 reported previously (S/2003/498).

B. The Nigerian end-user certificate story

90. A further visit to Serbia provided further evidence about the false Nigerian end-user certificate used to procure the weapons. Four letters seen by the Panel, dated 13 May to August 2002, were sent to the Federal Ministry of Defence in Belgrade, reportedly from the Ministry of Defence in Nigeria, about the Temex weapons shipments (see annex V.A-D). Two final letters, dated 9 October 2002 and 28 November 2002, from the Nigerian Embassy in Belgrade and the Ministry of Foreign Affairs in Abuja, indicated that the Nigerian end-user certificate was false and had been forged by "unscrupulous persons" (annex V.E and F).

The Temex profits

One of the results of an arms embargo imposed on a country is the fact that the prices of weapons can be raised by the exporter. In the case of Temex, profit can be estimated at between $500,000 and $1 million per delivery in the Nigerian connection case. Prices are ordinarily doubled. For example, AK47 rifles which cost $129 each were finally sold to Liberia at $294 a piece, which represents a difference of $247,500 for the delivery of 1,500 pieces, as was the case for the delivery of 23 August. At least 5,000 AK47 rifles were delivered, so the profit for this item alone would have been $825,000. The margin of profit on ammunition is even bigger. It is not an exaggeration to estimate that the global profit made by Temex in the Nigerian connection was between $3 million and $4 million for the six deliveries.

C. The Democratic Republic of the Congo connection

91. The Panel also tried to obtain additional information about an attempted export of weapons from Belgrade to the Democratic Republic of the Congo, which the Panel suspected might actually have been destined for Liberia. The chain of events is very similar to that which occurred in the Temex case. The brokers, forwarding agent and cargo company were the same.

92. Ducor World Airlines in Bulgaria sent a request to the Civil Aviation Authority in the Democratic Republic of the Congo to fly to Kinshasa with a military cargo. Ducor was informed that the address for the military aviation services that they used was wrong. Ducor sent a second request to the Democratic Republic of the Congo but obtained no response and dropped its efforts to fly the cargo.

93. The authenticity of the Democratic Republic of the Congo end-user certificate is also uncertain. On 13 March 2003 the Embassy of the Democratic Republic of the Congo in Serbia and Montenegro, in a letter to the Serbian Ministry of Defence, claimed that the end-user certificate was genuine. However, efforts by the Panel to obtain independent confirmation from Kinshasa about the authenticity of the certificate have been unsuccessful. The broker, Jeff Corporation Ltd., is closely linked to Temex, the company that brokered the six shipments of weapons in 2002 in violation of United Nations sanctions.

94. The Government of Serbia reported to the Committee established pursuant to resolution 1343 (2001) (letter dated 25 April 2003) that the Ministry of Defence of Serbia and Montenegro had revoked all the licences for trade in arms and military equipment granted to Temex and ordered all military equipment manufacturers to immediately cease their cooperation with Temex. The Serbian authorities also announced that, to prevent future deliveries to Liberia using Democratic Republic of the Congo end-user certificates, it would take steps to prevent all such exports to the Democratic Republic of the Congo.

D. Liberia: the last delivery

95. During the night of 6 to 7 August 2003, a Boeing 707 aircraft, registered 9G-LAD (Ghana), landed at Robertsfield International Airport after taking off from Syrte, Libyan Arab Jamahiriya. The aircraft operating agency used for this flight was Astral Aviation Ltd. of Kenya. The Minister of Defence, Daniel Chea, arrived at the airport, told the ECOMIL forces in charge that he was waiting for an important visitor, and asked the ECOMIL forces to leave the airport. ECOMIL refused, and after an hour, as no passengers exited the aircraft, the Minister said his visitor was not on board but that there was some cargo to unload. The ECOMIL forces recognized that the boxes unloaded were military equipment, mainly small arms and ammunition. All the material was transported and loaded by Liberian forces into a 40-foot container on a nearby truck (see annex VI).

96. ECOMIL refused to allow the Liberian forces to leave the airport with the truck and container. The weight of the weapons was between 20 and 40 tons. According to information obtained by the Panel, the container will be handed over to United Nations forces in October and subsequently opened to verify its contents. It is critically important for at least one member of the Panel to be present at the opening of the container.

97. The Panel has been informed that the weapons originated from Serbia and were part of the deliveries arranged using the false Nigerian end-user certificate in 2002 or the contentious Democratic Republic of the Congo end-user certificate in 2003. The key to establishing what actually occurred is to have the container at RIA opened and its contents analysed.

E. Arming non-State actors

The case of Katex Mine Guinea

98. Katex Mine Guinea is a company founded on 27 February 1998 in Conakry. Its Director General is El Hadj Ahmed Fouzi; the Director for Guinea is Roda Nemeh Fawaz. Katex Mine has imported various types of equipment from Ukraine, including agricultural and industrial products and machinery. Discrepancies in the manifests for imported material raised the Panel's suspicions about what was actually being delivered and the ultimate destination of the cargo. The Panel understands that Katex has imported weapons and ammunition during the last 10 months.

99. For practical reasons the Panel limited its investigations to the last 10 months of activities of Katex and discovered the following:

100. From 8 November 2002 to 5 August 2003, Katex Mine Guinea imported six consignments of air cargo using the Ukraine-based company Lviv Airlines.

101. According to Ukrainian authorities and Lviv Airlines, the shipments never contained weapons. However, the Panel has established that the flights stopped in Tehran, and it was there that the cargo was loaded, according to the manifests.

102. The flights can be summarized as follows:

(a) 8 November 2002. UKW 7615 airway bill: 5 jeeps (8,000 kg), 29 radio spare parts (12,000 kg) and 4 engine motors (8,900 kg), to be delivered to Katex Mine Guinea from Tehran.

(b) 25 November 2003. UKW 7615 airway bill: 1 jeep (1,500 kg), 250 batteries (10,000 kg), 185 pieces of technical equipment (12,600 kg) and 46 tyres (1,500 kg), to be delivered to Katex Mine Guinea from Tehran.

(c) 5 March 2003. UKW 7612 airway bill: 1,000 boxes of detergent (5,400 kg), clothing (2,500 kg) and 400 pieces of technical equipment (20,600 kg), to be delivered to the Ministry of Defence, Guinea, from Tehran.

(d) 10 March 2003. UKW 7612 airway bill: 1,500 boxes of detergent (7,600 kg), 500 pieces of clothing (2,500 kg) and 320 pieces of technical equipment (18,300 kg), to be delivered to the Ministry of Defence, Guinea, from Tehran.

(e) 17 March 2003. UKW 7612 airway bill: 2,500 pieces of clothing and samples (6,000 kg), 500 packages of hats (6,000 kg) and 320 packages of technical equipment (18,300 kg), to be delivered to the Ministry of Defence, Guinea, from Tehran.

(f) 30 June 2003. UKW 7612 airway bill: 3,500 pieces of clothing and hats (7,500 kg), 1,500 lighters (1,500 kg) and 270 pieces of technical equipment (19,300 kg), to be delivered to the Ministry of Defence, Guinea, from Tehran.

(g) 5 August 2003. UKW 7612 airway bill: 30 motorcycles (3,200 kg), 500 boxes of detergent powder, small size (1,000 kg) and 440 boxes of detergent powder, 50 kg (22,000 kg), to be delivered to the Ministry of Defence, Guinea, from Tehran.

103. The Panel was unable to visit Tehran to verify the exact nature of the loading. It was also not possible for the Panel to interview any representative of Katex Mine despite numerous telephone calls and visits to the company. The Panel was told that the Director, Mr. Fawaz, was on holiday in an unknown place and that in his absence no one was present in the office. The Directeur de Cabinet of the Ministry of Defence of Guinea stated that Katex was the government agent for importing agricultural supplies for the Army's rice plantations. The Directeur also denied any involvement with LURD. As at 24 September 2003, the Permanent Mission of Guinea to the United Nations has promised to pursue this matter with Katex.

104. The Katex office in Conakry is guarded by special forces attached to the President of Guinea known as Bérets rouges.

105. The Panel observed the unloading of cargo from the aircraft on 5 August 2003 and saw green boxes with hand ropes being loaded by soldiers into military trucks. The Panel believes that military equipment was contained in the detergent boxes mentioned in the manifest. Further confirmation was obtained from diplomatic

sources that weapons had been transported by truck from Katex Mine Guinea to Koyama and Macenta (see also S/2003/498, para. 110).

F. Role of ECOWAS

106. According to the Moratorium on the Importation, Exportation and Manufacture of Small Arms and Light Weapons signed by 17 countries of the subregion in 1998 and renewed in 2001 for three further years, the importation, exportation and production of small arms and light weapons, in countries that ratify the Moratorium, should be under the control and review of the ECOWAS Secretariat. The mechanism of control should be put in place by the Programme for Coordination and Assistance for Security and Development.

107. For example, national commissions should ensure effective monitoring. An annual report should be provided to the Executive Secretary of ECOWAS by each member State on all imports of weapons by their respective countries from any sources.

108. If a State wishes to import weapons it must ask for an exemption from the Executive Secretary of ECOWAS, who then transmits the request to other member States. If there is no objection, a certificate of exemption is issued. This certificate should be put together with the export licence and end-user certificate.

Implementation of the arms embargo

109. The enforcement of the arms embargo in Liberia has proved to be difficult owing to the fact that in neighbouring countries such as Côte d'Ivoire and Guinea the situation is one of either war or incursions by Liberian forces such as LURD and MODEL. Porous borders between countries in the region necessitate the monitoring of arms movements by UNMIL forces in Liberia.

110. Owing to the difficulties of implementing in Liberia the ECOWAS moratorium on trade in small arms in West Africa, the Panel recommends using UNMIL to support the implementation of the moratorium in Liberia.

III. Civil aviation

111. In its investigation of compliance by Liberia with resolution 1343 (2001) the Panel covered the following key areas:

A. Multilateral cooperation

112. There was no follow-up ministerial meeting to the one held in Dakar on 3 March 2003. The meeting was meant to discuss operational issues for the resumption of the Flight Information Region. The planned ICAO/Robertsfield secretariat FIR joint assessment mission in Liberia was also not conducted. However, at a meeting with the Panel on 19 September 2003, the Minister in charge of civil aviation confirmed that Liberia will now cooperate with the other members of the Flight Information Region, Guinea and Sierra Leone. Non-Liberian FIR technicians based in Conakry undertook a mission to Robertsfield International

Airport from 20 to 24 September 2003 for an evaluation of the VSAT system (very small aperture terminal). This system, implemented for aeronautic satellite communication, had been damaged for several years and is now being repaired.

113. The admittance of non-Liberian maintenance technicians to Robertsfield is an encouraging sign. Non-cooperation with the Flight Information Region was justified throughout the Taylor regime on the grounds of national security.

New civil aircraft registry

114. According to the Liberian civil aviation authorities, no new aircraft registrations have so far been approved, despite the fact that a substantial number of applications for registration are pending. It may be noteworthy that LoneStar Airways, which is alleged to have flown weapons to Liberia (see S/2003/498, paras. 77, 78, 88-90, 96 and table 4) and is also the subject of a safety investigation by the Liberian aviation authorities, has also applied for a Liberian registration.

115. The Panel still has not received answers to its previous requests in regard to numerous fraudulent registrations in Liberia which led to the provision in resolution 1343 (2001) under which all Liberian-registered aircraft were grounded.

ICAO standards and practices

116. The Minister in charge of civil aviation has stated to the Panel that Liberia will now attempt to be in full compliance with the standards and recommended practices of ICAO.

B. Air traffic

117. Despite promises by the authorities, the Panel has not received RIA air traffic statistics, which would have allowed verification of compliance by air traffic controllers with the stipulations contained in the letter of agreement between the Area Control Centre of the Flight Information Region and the Control Unit of Robertsfield. However, on the basis of ASECNA and FIR statistics, the Panel concludes that RIA air traffic controllers still do not respect the provisions of the letter of agreement and, as a result, air space safety is decreasing and there is an increased potential for mid-air collisions.

Airport infrastructure

118. All other Liberian airports have been closed to air traffic. The Liberian authorities anticipate that Spriggs Payne Airport, which is now used by UNMIL, will eventually be handed back to the civilian authorities and used for domestic flights.

C. Airlines used for arms trafficking

119. Previous Panel reports (S/2000/1195, S/2001/1015, S/2002/470, S/2002/1115 and S/2003/498) attempted to clearly illustrate the deceptive methods employed by arms traffickers. The method most often used to traffic weapons to Liberia has involved the creation of air transport companies. The Panel has observed that a number of such companies that were set up recently dissolved when the Panel began

its investigations into arms trafficking in the subregion. The airlines in question are San Air, Transavia, West Africa Air Service, Centrafrican Airways and Inter Trans Congo. Other airlines such as Aerocom are still active. Ducor World Airlines (Equatorial Guinea) was implicated in a weapons delivery to Liberia (see S/2002/1115 and S/2003/498). On 7 August 2003, Astral Aviation Ltd. used a Boeing 707 to carry weapons to Liberia; those weapons were seized by ECOMIL and are now under its control (see para. 95 above).

D. Observations

120. It is the intention of the civil aviation authorities to provide all necessary human and material resources to improve operations, with particular emphasis on training of all personnel.

121. On 19 September 2003, the Panel met with the civil aviation officials of the Government of Moses Blah in their vandalized and looted offices in Monrovia. Although during that meeting a commitment was obtained that the requested air traffic statistics would be supplied, the Panel is not convinced that the statistics will be forthcoming, because 18 suspicious flights landed at Robertsfield before the first deployment of ECOMIL forces on 4 August 2003. It remains questionable whether the intentions of the aviation officials can be trusted. The Panel's suspicions are based on the numerous times it has been misled by the authorities, particularly in regard to the FIR management and the investigation into the crash on 15 February 2002 of an Antonov 12, the circumstances of which were never fully disclosed.

122. The Panel notes with concern the complete lack of properly functioning equipment in support of Liberia's civil aviation. The entire sector requires reconstruction. The Panel has also repeatedly and urgently directed the authorities to the need to enhance its staff capacity by providing high quality training. The schools for this purpose exist in the region and are easily accessible to Liberians.

E. Conclusions and recommendations

123. To minimize the risk of accidents, the air traffic authorities are strongly urged to apply all the provisions of the letter of agreement between the Area Control Centre of the Flight Information Region and the Control Unit of Robertsfield International Airport in conformity with ICAO rules contained in annex 2 to the Convention on International Civil Aviation and ICAO document 44 44.

124. To manage Liberia's civil aviation properly and to finance needed improvements an autonomous entity is required to utilize judiciously all income generated from aviation activities.

IV. Diamonds

A. General situation

125. In the context of Liberia's acute internal insecurity, diamond production has been severely disrupted. During the course of investigations since early July 2003, the situation has been compounded by the progress of the rainy season, which has

reduced production throughout the country to a fraction of its potential. Nevertheless, some mining has continued in the face of overarching risk. While there is no evidence that there is any high-intensity, mechanized alluvial mining activity currently under way in Liberia, "bucket and spade" operations have continued over the past three months. This production has seeped on to the international market in contravention of restrictions imposed on the export of Liberian diamonds by Security Council resolution 1343 (2001), extended by resolutions 1408 (2002) and 1478 (2003).

B. Trends in diamond production

126. Diamond production in Liberia occurs in three principal regions:

127. **Lower Lofa**. The diamond industry is centred on Kungbo, Camp Alpha, Kamara Camp, Camp Israel, Gbah, Welliequah, Keifa, Wesah, Balla Camp, Lofa Bridge and Smith Camp and stretches west towards the Moro River, Liberia's natural border with Sierra Leone. While Liberia's Phase 5 security profile has precluded travel by the Panel to the country's interior, helicopter surveillance of the border regions was facilitated by UNAMSIL in Sierra Leone. The Panel found that, while there was widespread "airlift" diamond mining, much of it illegal, on the Sierra Leone side of the Rivers Mano and Moro, there was no evidence of any activity whatsoever on the Liberian bank. Furthermore, the River Moro's outwash plain in Liberia is especially prone to extensive flooding during the rainy season, making systematic, mechanized alluvial pit mining impossible. While "airlift" solution pump extraction of alluvial gravel could continue during the rainy season, the equipment requires a significant outlay of capital and such ventures are unlikely to be attempted by local mining concerns in the current security environment. Consequently, the only production under way at present is low-intensity rudimentary hand mining (see below). The average production over the past three months is likely to be less than $750,000 per month (these very rough estimates for production were provided by industry sources, mining engineers and geologists with expertise in the region). At full potential, production for both lower and upper Lofa would be in the region of $10 million per month.

128. **Upper Lofa**. In upper Lofa, mining is located around the villages of Tapora Camp, Saelif Camp, Yangaya, Mabou and Gondo Town. Local insecurity has prompted a massive decline in mining operations in this area. The rains have raised water tables considerably, placing enormous pressure on pumping equipment and rendering most mining at the present time economically unviable in terms of demand for fuel and spare parts, both of which are in extremely short supply as a result of the conflict. Itinerant tributors, the mainstay of the local mining economy, have largely deserted the upper Lofa diamond fields and have either been recruited by rival factions, crossed into Guinea or Sierra Leone in search of sanctuary or work, or have made their way to Nimba County in search of work in the gold and diamond mining sectors there (see below). Current estimates put the average production in upper Lofa over the past three months at around $500,000 per month.

129. **Nimba County**. The mining fields around Bahn, Saclepea, Saniquellie and Touloplei in Nimba County have also suffered from the political uncertainties and socio-economic upheaval of the conflict. However, the region, by virtue of its upland topography, has been less adversely affected by the rainy season. The higher

altitude of the diamondiferous deposits ensures rapid runoff of rainwater, placing far less demand on pumping capabilities compared to upper and lower Lofa, and allowing the continuation of mining throughout this wet season. The local industry has also been bolstered by the arrival of experienced tributors from Lofa County in search of work and, while there is no evidence of intensive, mechanized production, rudimentary digging has maintained production at about $2 million per month out of a full potential of around $5 million, thus maintaining production at roughly 40 per cent. There has also been relatively heavy production of high quality gold dust (approximately 85-95 per cent pure) in Nimba over the past three months, at around 15 to 20 kilos per month. The value of this gold production is in the region of $450,000 to $600,000.

C. Cross-border trafficking

130. Liberian diamond production continues to be illegally exported from the country through three principal overland routes. Diamonds originating from Lofa County are passing into Guinea and Sierra Leone with ease. Most of the production of Nimba County goes through Côte d'Ivoire.

131. **Guinea**. Investigations were conducted by the Panel in the Guinean border towns of Nzérékoré, Macenta, Guékédou and Kissidougou. While many *diamantaires* were less than forthcoming regarding the issue of Liberian diamonds, some Lebanese dealers were candid about the presence of diamonds of Liberian provenance in the local market, although they stressed that volumes were small since the upsurge in fighting in 2003. They added that Liberian diamonds in the market had been more abundant during periods in which LURD fighters had sought refuge, or regrouped, in Guinean border towns. Although the Panel has found no evidence that LURD has mined diamonds as a matter of economic policy, it is evident that small groups of LURD fighters (some of whom are former tributors) mined of their own volition on an ad hoc basis during lulls in the fighting.

132. **Sierra Leone**. Diamond production from lower and upper Lofa is also entering Sierra Leone with little difficulty through the hundreds of small, unmonitored crossings that bisect the Rivers Mano and Moro. Although the official borders have been temporarily closed on a number of occasions over the past three months, little has prevented the movement of determined diamond traders eager to transport Liberian diamond production to the main Sierra Leonean diamond trading centres of Bo, Kenema, Kono and Freetown. In Freetown and Kenema, the Panel interviewed Lebanese traders early in September 2003 who, while denying that they had purchased Liberian diamonds, freely admitted to viewing and valuing them on a regular basis. One particular shipment of goods, valued at around $20,000, had been mined in lower Lofa late in August 2003, shipped across the border at Bo Waterside (a monitored crossing), moved up to Kenema, through Bo and then on to Freetown, where they were quickly purchased by established dealers, who, fully aware of the current embargo on Liberian diamonds, exploit their illegality as a pretext for purchasing them at reduced prices.

133. **Côte d'Ivoire**. The majority of Nimba County production, estimated at $2 million per month over the past three months, is being smuggled east into Côte d'Ivoire. Much of the mining in the county is being supported by Mandingo and ethnic Senegambian traders who maintain complex, far-reaching commercial

networks often underpinned by membership in Islamic brotherhoods. These networks avoid the scrutiny of formal banking facilities, relying instead on "runners" to transport, over great distances, capital typically stored in secure locations, in order to facilitate purchases. The system relies heavily on trust and reputation, but functions sufficiently well to place some of these actors in a financial league similar to that of a number of major Lebanese buyers. The culture of this trade is particularly secretive and impenetrable, however, making it difficult to obtain reliable estimates of annual turnover.

D. Access to international markets

134. Industry insiders interviewed by the Panel estimate that 85 to 90 per cent of diamonds currently mined in upper and lower Lofa are smuggled through either Freetown or Conakry en route to international markets and manufacturing centres. Similarly, an estimated 85 per cent of Nimba production is smuggled through Abidjan. Senior officials at the Government Gold and Diamond Office in Freetown admitted to seeing "occasional goods which appear a bit Liberian", but effectively challenging the origin of such diamonds, which were passed off as Sierra Leonean, was beyond the technological capability of the administration concerned. A test exists, known as the induced coupled plasma mass spectrometer test, but it is extremely costly and impractical as a means of controlling the export of diamonds from conflict zones. Furthermore, the Panel remains unconvinced that sufficient political will actually exists in Sierra Leone and Liberia to impose more stringent requirements on the provision of proof of provenance, particularly given the revenue that diamonds assessed for export earn governments (3 per cent in Sierra Leone and Guinea, 17 per cent in Côte d'Ivoire).

135. As a consequence of these factors, Liberian rough diamonds continue to receive Sierra Leonean or Guinean certification under the terms of the Kimberley Process and are then traded on international markets where they command top prices. Testimonies made to the Panel suggest that corrupt officials have sold certificates of origin to exporters attempting to disguise foreign diamonds, either because they are embargoed, or because they wish to avoid higher export taxes imposed by the diamonds' country of origin. In this instance, certification will ensure that diamonds retain their full market value.

136. Two attempts were made to interview representatives of the Ministry of Mines of Guinea on these issues, but no officials were available for comment. Discussions with the Ministry of Mines and Energy of Côte d'Ivoire revealed that the mechanisms in that country for the control of illegal diamond trafficking are less developed than those of Guinea and Sierra Leone. There is currently no valuation assessment by an independent third party and the very high export duty commanded by the Government is likely to encourage smuggling rather than prevent it.

137. While Sierra Leone, Guinea and Côte d'Ivoire are all signatories to the Kimberley Process, the process itself suffers from monitoring mechanisms too weak to assess the effectiveness of controls imposed by participant States on the export and import of rough diamonds. Discussions on this critical issue by the Kimberley Process have been repeatedly postponed. It is hoped that they will be raised at the next plenary meeting, scheduled for October 2003.

138. These administrative weaknesses continue to pose severe obstacles to the reform of the diamond trade in West Africa. The current reality is that in the region's biggest producers, Guinea and Sierra Leone, government appraisal offices assess less than 50 per cent of national "run-of-mine" production, the rest being smuggled directly to the international markets and manufacturing centres of Antwerp, Tel Aviv, Bombay, Beirut and Dubai, as well as to lesser markets in the Far East. In these locations, goods are relatively freely traded without certification and fed directly into the manufacturing industry. Once the diamonds are polished, any characteristics that they may possess that are useful to the determination of their origin are erased. Typically, they are certified as polished goods of certain quality and value and then traded on the legitimate market to jewellery manufacturers. In Antwerp, the Panel was able to observe uncertified rough diamonds (of Angolan, Congolese and Sierra Leonean origin) traded openly in cafes between smugglers and local polishers.

139. Restrictions on the trafficking of Liberian diamonds have been weakened further by the discovery of new diamond deposits at Kamakwie, in Northern Province, Sierra Leone, an area not previously associated with diamond production. The goods from this area possess characteristics so similar to diamonds from Lofa County that they are almost impossible to tell apart, even by those with considerable expertise in the typical characteristics of diamonds present in the regional market. This development provides significant scope to those who wish to pass off Liberian diamonds as being from Sierra Leone.

E. Diamond trading by the former regime

140. The Panel has been unable to find any direct evidence regarding diamond trading by former President Charles Taylor and his regime in contravention of restrictions imposed by resolution 1343 (2001) and extended by resolutions 1408 (2002) and 1478 (2003). In the Panel's previous report (S/2003/498), however, attention was drawn to the activities of a company named Orbal Marketing Services Liberia Ltd., which claimed that the United Nations embargo on rough diamonds had been lifted and that it could organize the purchase of Liberian rough diamonds through its representative office in Melbourne, Australia, run by the Liberian Consul to Melbourne. Handling any such transactions was an individual named Raymond M. Jenkins, whose status within the Consulate was unclear. Subsequent to the Panel's enquiries, the Australian authorities have confirmed that Mr. Jenkins is not a Liberian Consul in Melbourne, nor has he any consular status despite his claim to be an employee of the Liberian Consulate General in Melbourne. To date, the Australian authorities have not found any evidence that Mr. Jenkins, or Orbal Marketing Services, or the Liberian Honorary Consulate in Melbourne have facilitated the importation of diamonds from Liberia. Investigations by Australian authorities into the activities of Orbal Marketing Services and the Liberian Consulate General are ongoing, however. Mr. Jenkins is also one of a number of individuals about whom enquiries are being made.

F. Conclusions and recommendations

141. The restrictions imposed by resolution 1478 (2003) on the trafficking of Liberian diamonds have failed to prevent their trade both regionally and

internationally. While there has been a recent, steady decline in production, this has been a direct result of acute internal insecurity and operational constraints imposed by seasonal climatic conditions, rather than the impact of sanctions. Liberian diamonds continue to flow on to the international market and the internationally accredited certification scheme introduced by neighbouring countries under the terms of the Kimberley Process has failed to prevent this. This will continue as production increases within the context of improving security and the onset of the dry season.

142. The Panel recommends that the embargo on the export of Liberian rough diamonds remain in place until an internationally accredited certification scheme can be successfully implemented by the Government of Liberia with the support of external partners. Once established, the scheme should be the subject of regular and rigorous monitoring by independent assessors to ensure that it remains free of corruption and functions effectively.

143. The Panel recommends that this process be undertaken as quickly as possible in order to generate employment and capital in rural areas in the context of broad-based post-conflict reconstruction.

144. The Panel recommends that a comprehensive review of the diamond industry be undertaken by independent consultants in order to assess the best mechanisms for the control of mining, the trade and export of diamonds and the collection of revenue by the State for the benefit of the Liberian people.

145. The Panel recommends that the Government of Liberia appoint an authoritative body to register legitimate stakeholders in the industry and to adjudicate claims pertaining to current and lapsed exploration and mining concessions.

146. The Panel recommends that the Government of Liberia undertake a complete review of mining legislation in order to facilitate reform of the sector.

V. Timber products

147. Pursuant to paragraph 17 of resolution 1478 (2003), sanctions prevent the international trade in "all round logs and timber products originating in Liberia". When sanctions entered into force on 7 July 2003, most timber operators had already removed equipment and employees from the forest because of the ongoing civil war. Despite this, many operators and their mills were looted during the hostilities. The industry has also remained shut down because of the rainy season, which generally prevents logging from June to October.

148. Given the lack of logging, compliance with timber sanctions does not appear to be a significant concern. Nonetheless, to assess compliance, the Panel examined shipping records for Liberia's four major ports, Monrovia, Buchanan, Greenville and Harper.

149. The Panel has found only one report of a possible violation of sanctions. The Togba Timber Company sent timber to Dakar prior to sanctions, but the shipment did not arrive until 23 July 2003, when it was unloaded in violation of sanctions. In the case of the shipment by the Oriental Timber Company of a container of plywood to Antwerp on 23 May 2003, the shipment arrived in Antwerp in June 2003, but was

unable to clear customs before 7 July 2003, the effective date of the timber sanctions, because the necessary documents were unavailable. The shipment was refused entry by the Belgian authorities and is currently under customs supervision in Antwerp.

150. It is alleged that two additional shipments have since been made from Harper. The Panel has been unable to travel to the region to substantiate the allegations.

151. The Panel has also been in repeated communication with the French armed forces (Operation Licorne) in Côte d'Ivoire — the most likely overland point of export for Liberian timber products. The French report no cross-border movements of logs. Additional eyewitness accounts from the Danané region confirm that there have been no timber imports from Liberia and little cross-border activity of any kind. In the past, Liberian timber has been shipped to neighbouring countries, Côte d'Ivoire in particular, and labelled with a new country of origin. For example, in 2002, a consignment from OTC shipped to the United States of America was claimed to have originated from Côte d'Ivoire. The company does not have any concessions other than those in Liberia.

152. Of greater concern are the allegations that MODEL has been negotiating with Abbas Fawaz, the owner of Maryland Wood Processing Industries, and Mr. Charafeddine of Liberia Logging and Wood Processing Corporation/Togba Timber Company to allow these companies to resume logging in MODEL-controlled territory. Both operators deny the allegations, however.

153. The real test for the sanctions will occur in November 2003, when the rainy season ends and it is possible to resume high-production logging. In addition, most logging operators believe that the sanctions will soon be removed.

Conclusions and recommendations

154. A comprehensive set of recommendations is contained in the Panel's report on the impact of timber sanctions (S/2003/779). To briefly reiterate:

155. The Security Council should focus monitoring and enforcement on a few strategic locations. It is likely that UNMIL forces will be located in the main ports and they should be given the task of monitoring for compliance. Likewise, UNMIL forces should monitor overland border crossings: Dulay, Logatuo and Butuo to Danané, Côte d'Ivoire; Toetown to Toulépleu, Côte d'Ivoire; Ganta, Voinjama and Yekepa into Guinea; and Koindu and Bo-Waterside into Sierra Leone. The French forces of Operation Licorne could continue to monitor the Côte d'Ivoire region surrounding border crossings. Any violations should be reported to the Committee established pursuant to resolution 1343 (2001).

156. The Security Council should establish an oversight committee of stakeholders to further assess compliance with sanctions and their impact on Liberia. The committee could consist of Liberia's interim government, neighbouring governments, non-governmental organizations, industry and UNMIL.

Maintaining the sanctions

157. The Panel strongly discourages the immediate removal of sanctions. Liberia needs revenue but, under current conditions, the lack of transparency and

accountability makes it impossible to determine whether revenue from the timber industry is used to further conflict.

Reform

158. Many concessions were inappropriately awarded under the Taylor regime and they should be re-examined. Furthermore, many concessionaires have fled the country. Comprehensive reform is necessary to restructure the industry, but getting the conditions right requires a long-term commitment.

159. As outlined in the Panel's previous report (S/2003/779), reform must be according to the principles of good governance so that the citizens of Liberia more equally share the costs and benefits of logging.

Participatory and equitable forest economy

160. Decision-making must involve stakeholders from across Liberian society. An initial step would engage a round table of stakeholders, similar in composition to the sanctions oversight committee (see above), to develop a strategy for reform and oversee its implementation. Prior to the outbreak of widespread civil war in Liberia in April 2003, civil society had made significant progress towards the establishment of such a round table.

Transparency

161. Reform will require opening the sector to public scrutiny. The Government of Liberia should immediately submit to a full financial audit of the Forest Development Authority as required under paragraph 10 of resolution 1408 (2002). The complete results must be made public.

162. The Forest Development Authority and the logging companies must publish regular reports (see S/2003/779, box 2). Mapping of annual logging areas is especially important as a means of verification and monitoring.

163. Any future Government of Liberia and FDA must establish independent, third-party monitoring of logging activities. This independent monitoring could be part of the responsibility of the round table. The Liberian forest reassessment may serve as a useful model.

Effective enforcement

164. The Government of Liberia must give FDA adequate resources and equipment to fulfil its mandate.

165. The resumption of logging must be preceded by a system that can segregate legal from illegal wood (see S/2003/779, box 3). Otherwise, illegal wood will enter the supply chain, and combatants will gain revenue from the illegal exploitation of timber resources.

Accountability

166. The Government of Liberia must investigate and pursue appropriate fines, penalties and prosecutions through FDA and the Liberian legal system. In addition, the Government of Liberia must improve oversight of FDA itself. Such initiatives

might include using the round table as a civilian review board to monitor forestry activity and the use of revenue.

VI. Assessment of the humanitarian and socio-economic impact of timber sanctions

167. The overall humanitarian situation in Liberia has been characterized by varying degrees of violence, chaos and extreme hardship affecting the country's entire population. With the departure of Charles Taylor and the deployment of ECOMIL peacekeeping troops, the security situation in the capital has improved, to the extent that the delivery of urgently needed humanitarian relief to hundreds of thousands of internally displaced Liberians is now possible. The situation in the rest of the country remains unstable, however, as villages and towns continue to be terrorized by warring factions. Consequently, an enabling environment does not yet exist in Liberia for a detailed assessment of the humanitarian and socio-economic impact of the timber sanctions. However, field visits were made to refugee camps in Guinea and Sierra Leone.

168. In Guinea, where approximately 1,200 Liberian refugees participated in meetings in Laine and Kouankan, 198 identified themselves as former employees of logging companies operating in Lofa County. In Sierra Leone, 860 people participated in the discussions, 75 former logging employees mainly from Lofa and Grand Cape Mount Counties. The meetings were held in five refugee camps: Jembe, Bandajuma, Gerihun, Gondama and Pewah Way Station.

169. Approximately 20 per cent of Liberians have fled to neighbouring countries. All the refugees interviewed agreed that they had left Liberia to flee the fighting. Of the 273 refugees who had worked in the logging industry, 80 per cent believed that they would return to their jobs in forestry when they returned home.

170. Responses concerning wages and benefits received while working in the Liberian timber industry were consistent with the findings reported in the Panel's report on the possible humanitarian and socio-economic impact of the timber sanctions (S/2003/779). Refugees believed that the positive effects of the sanctions were to deprive Taylor of revenue (his "pepperbush") and allow for reform and better management by Liberians. Negative effects were the loss of income, a decrease in demand for services provided to the logging industry by local businesses, and the loss of road maintenance.

171. The vast majority of Liberians contacted during the assessment did not appear to be informed about the politics and economics of the logging industry or indeed about the rationale behind the timber sanctions. This may be due in part to the high level of illiteracy in rural Liberia and the fact that Taylor's Government succeeded in convincing many Liberians through carefully worded propaganda that the sanctions on Liberia were aimed at destroying the nation's economy rather than ending the conflict. On the other hand, some refugees believed that the purpose of the sanctions was to get rid of Taylor and bring down his Government; others believed it was to deprive the warring factions of revenue. Some believed it was to protect the forest for future generations, root out corruption and better distribute benefits.

172. Refugees varied in their preferences with regard to the lifting of sanctions. Of the 2,000 refugees interviewed by the Panel in Guinea, Côte d'Ivoire and Sierra Leone, 63 per cent wanted general elections, better governance, and peace prior to lifting sanctions. Twenty-five per cent wanted sanctions lifted six months after the national transitional government began functioning, peacekeepers were deployed, and full disarmament and demobilization had commenced. Ten per cent believed that they should be lifted immediately after the government was in place; and 2 per cent wanted to wait 12 months after a new government was democratically elected.

173. The conditions of lawlessness, human rights abuse, extreme corruption and mass poverty that prevailed during Charles Taylor's regime have severely undermined the confidence of the Liberian people in the ability of future administrations to deliver good governance. Therefore, against the backdrop of ongoing political and peacekeeping activities in Liberia, the policies and priorities of many potential contributors with regard to future humanitarian relief and reconstruction efforts in the country will be strongly influenced by the performance of the Transitional Government during its first few months in office.

Conclusions and recommendations

174. In view of the limited and sometimes unreliable sources of most of the economic and social data gathered by the Panel during this assessment, the Panel recommends that a comprehensive socio-economic survey and assessment of the impact of the timber sanctions be conducted as soon as security conditions allow. The results of such a survey can help to update existing databases on Liberia and serve as a credible baseline for any future analyses of the country's socio-economic status.

VII. Travel ban

175. The travel ban continues to be violated by a number of individuals mentioned in the travel ban list of 9 June 2003, who still travel freely. There is no proper mechanism for implementing the travel ban and many countries are not aware of the proper procedures for enforcing it. Conversely, the two incidents described below highlight the suffering and indignity faced by individuals at the hands of over-zealous or misinformed immigration officers.

176. The Panel learned that, on 10 June 2003, the wife of Simon Rosenblum, Mrs. Soraya Chehab, and her three children, Christopher (4 years), Christian (2.5 years) and Selina (5 months) were detained on arrival at Accra International Airport, although their names were not on the travel ban list. Ghanaian authorities insisted that Mr. Rosenblum's listing under the travel ban included his children and that they would thus be denied entry into Ghana. The children, with their mother, were held for two days at the airport and finally released after the intervention of Ghanaian officials related to Mrs. Chehab. The passports of the three children are still held by the Government of Ghana and they are thus forced to stay in Ghana.

177. Victor Haikal, whose name was removed from the travel ban list on 19 December 2001, was recently held at Abidjan Airport on arrival from Monrovia. After much pleading he was given a temporary entry into Côte d'Ivoire for three

days on condition that he deposited his passport with the airport authorities. The passport was returned to him when he voluntarily left the country after three days. His short stay in the country without identification documents was not a pleasant experience.

178. The Panel would like to bring to the attention of the sanctions Committee the fact that certain individuals, who are subject to the travel ban, have been met, seen or contacted outside Liberia:

Monie Captan	Seen by witnesses in Accra
Alexander Kulue	Recently seen by witnesses in New York City
Talal Nassereddine	In California, United States of America
Gus Kouwenhoven	Seen by witnesses in Equatorial Guinea
Mohammed Salame	According to the Government of Côte d'Ivoire, he should be under house arrest in Abidjan but the Panel was informed by his house staff that he left Abidjan in June 2003
Emmanuel Shaw	Recently seen in Accra
Elias Saleeby	Met by the Panel in Accra
Juanita Neal	In Abuja

179. The Panel would also like to observe that some Liberian officials and others who left the country during the height of the conflict, in contravention of the travel ban, may have believed that they were fleeing for their lives.

180. The Panel takes note of the decisions of the Security Council (a) in paragraph 28 of resolution 1478 (2003) to extend the travel ban to individuals, including from LURD or other armed rebel groups, determined by the Committee to be in violation of the arms embargo; and (b) in paragraph 29 of the resolution, to request the Committee to establish, maintain and update, a list of air and maritime companies whose aircraft and vessels have been used in violation of the arms embargo. The Panel members stand ready to assist the Committee with respect to information it may require in implementing those decisions of the Council.

VIII. Maritime operations in Liberia

Shipping registry

181. Of all the maritime operations in Liberia the most lucrative money-generating mechanism is the maritime registry. This is run by the United States-registered Liberian International Shipping and Corporate Registry, which is based in Virginia and is the world's second largest registry with over 1,800 ships on its books. Its reputed annual remittance to the Government of Liberia is in the region of $18 million but the true figures are unknown. The financial transactions are a closely guarded secret and Liberia's Maritime Affairs Commissioner, Benoni W. Urey, has admitted that even he does not know the registry's real value.

182. The financial arrangements between the Registry and the Government of Liberia are not clear and the Panel was unable to establish the true value of earnings from the shipping registry.

183. The Registry is being used by many United States, German, Norwegian and Greek ships for its tax benefits, low operating costs and laxity in enforcing the stringent safety regulations imposed by the various international organizations such as the International Maritime Organization and the International Transport Workers Federation.

184. Although no direct link has been established between the income from the maritime registry and sanctions-busting activities, there is still some concern about misuse of the revenues by the Taylor Government.

Port operations

185. Local port operations are supposedly under the direct control of the National Port Authority, until recently headed by Alphonso B. Gaye. However, it is apparent that the port of Buchanan has been under the direct control of the Oriental Timber Company, the port of Harper under that of the Maryland Wood Processing Industries and the port of Greenville under the control of the Inland Logging Company. No record of revenues from these ports was available.

Inspection authority

186. The Government of Liberia has contracted Bivac International (see para. 83) to act as the inspection authority for all import and export cargo. The present status of the contract agreement is not clear. Bivac is responsible for verifying the quality, quantity and value of all such cargo for customs and excise purposes. However, the Government has the authority to issue an exemption certificate for any consignment, by which those goods will not be inspected nor will there be any declaration or description of the goods.

187. Bivac has been cooperative and has provided all the information requested by the Panel. This has included a detailed list of all inspections carried out by the company for both import and export cargo. However, the Panel found that the effectiveness of Bivac had been undermined by a lack of cooperation on the part of the port authorities and the customs. The local representative of Bivac, Pierre Burrel, informed the Panel of the recent discovery that the Customs and the port authorities had released goods worth million of dollars without the clean reports of findings which are issued by Bivac on inspection of the imported goods for the purposes of calculating the customs and import duty due on the items. How the importers managed to bypass the ports and customs authorities is unclear. It is not known if any duty was collected and by whom. The Bivac office still holds the original documents. Copies were given to Fatu Githen, the customs official in charge of the port, Juanita Neal and Talal Nassereddine. To date no action has been taken by the Government.

Shipping traffic

188. Local shipping traffic was investigated with the assistance of the neighbouring countries and Lloyd's Register of London. No illegal activities came to light except the incidents detailed below:

(a) Ship: *Eiffel Planet*

Port of loading	Cape Palmas, Liberia
Date of loading	4 July 2003
Cargo	Timber: round logs and sawn timber
Origin of cargo	Liberia
Date of arrival	23 July 2003
Port of discharge	Dakar
Date of discharge	24 July 2003

It is to be noted that the cargo of timber arrived in Dakar on 23 July 2003, and that the sanctions on Liberian timber came into effect on 7 July 2003. This incident is under investigation by the Panel.

(b) Ship: *Agnete Maersk*

Port of loading	Buchanan, Liberia
Date of loading	23 May 2003
Cargo	Timber: plywood
Origin of cargo	Liberia
Date of arrival	25 June 2003
Port of discharge	Antwerp, Belgium
Date of discharge	8 July 2003

When the ship arrived in Antwerp, the documents were not presented to Customs until 8 July 2003. The authorities impounded the consignment as they interpreted it to be in violation of the sanctions (see para. 149 above).

189. Another ship, MV *Blest Future* (IMO No. 9066578), is currently under surveillance by ECOMIL off Buchanan.

Conclusions and recommendations

Coastal surveillance

190. Liberia does not have an effective sea-going force to monitor its coastline and is thus unable to control any offshore activity. It is recommended that UNMIL should include an element to monitor maritime traffic along the coast of Liberia and the neighbouring countries.

Rebuilding effort

191. The national rebuilding plan should include improvements to all harbours, port facilities and coastal navigation aids.

Annex I

Letter of appointment

Letter dated 5 June 2003 from the Secretary-General addressed to the President of the Security Council*

I have the honour to refer to Security Council resolution 1478 (2003) of 6 May 2003 concerning Liberia. In paragraph 25 of that resolution, the Council requested me to appoint, in consultation with the Security Council Committee established pursuant to resolution 1343 (2001), a Panel of Experts consisting of up to six members, for a period of five months, to conduct a follow-up assessment mission to Liberia and neighbouring States, in order to investigate and compile a report on the Government of Liberia's compliance with the demands set out in resolution 1343 (2001); to investigate whether any revenues of the Government of Liberia are used in violation of resolution 1478 (2003); and to assess the possible humanitarian and socio-economic impact of the measures to take effect pursuant to paragraph 17 of resolution 1478 (2003).

Accordingly, I wish to inform you that, taking into account the requests stated in resolution 1478 (2003), including the request that I draw, as much as possible and as appropriate, on the expertise of the members of the Panel of Experts established pursuant to resolution 1458 (2003), I have appointed the following six experts:

1. Arthur Blundell (Canada)
2. Atabou Bodian (Senegal)
3. Damien Callamand (France)
4. Enrico Carisch (Switzerland)
5. Caspar Fithen (United Kingdom of Great Britain and Northern Ireland)
6. Harjit Singh Kelley (Kenya)

I have also selected Atabou Bodian to chair the Panel of Experts.

I should be grateful if you would bring this information to the attention of the members of the Security Council.

(*Signed*) Kofi A. **Annan**

* Previously issued under the symbol S/2003/618

Annex II

Meetings and consultations

Belgium

Private sector

Ducor World Airlines

Bulgaria

Private sector

Ducor World Airlines

Aviostar Ltd

Côte d'Ivoire

Government

Ministry of Internal Affairs

Ministry of Defence

Minister for Foreign Affairs

Minister of Agriculture

Minister of Water and Forests

Minister of Transportation

Minister of Energy and Mines

Minister of Trade

Diplomatic

Canada

France

Switzerland

French ceasefire forces (Opération Licorne)

Bilateral and multilateral agencies

ASECNA

UNDP

World Food Programme

Service de coopération technique international de police

Interpol Subregional Bureau Abidjan

UNHCR

Office for the Coordination of Humanitarian Affairs, Liberia

European Union, Liberian Representative

Private sector

Bureau France 2 Afrique

Lettre du Continent

Liberia Logging and Wood Processing Company

Thanry Group

SN Brussels

Others

MODEL

Tabou refugee camp

Kormah Development and Investment Corporation

Port Autonome de San-Pédro

Giglo refugee camp

Denmark

Evergreen Trading Corporation

France

Government

Ministry of Foreign Affairs

Diplomatic

Interpol, Lyon

Private sector

Association technique internationale des bois tropicaux

Bivac International

Ghana

Bilateral and multilateral agencies

International Foundation for Education and Self-Help

ECOWAS

African Security Dialogue and Research

Others

General Abubakar

MODEL

LURD

Guinea

Government

Ministry of Security

Ministry of Defence

Ministry of Commerce

National Direction of Civil Aviation

Agence de navigation aérienne

Commission nationale de lutte contre la prolifération et la circulation illicite des armes légères

Diplomatic

France

Roberts Flight Information Region

Bilateral and multilateral agencies

UNDP, Nzérékoré

Laine refugee camp

Kouankan refugee camp

Office for the Coordination of Humanitarian Affairs

Other

Mano River Woman Peace Network

Local press

Médecins sans frontières

IRC

ICRC

Action contra la faim

Lebanon

Government

Banque de Liban

Private

Investcom

Bridgeway Corporation

Maryland Wood Processing Industries

DABA Logging and Wood Processing, Inc.

Liberia

Government

Ministry of Land, Mines and Energy

Ministry of Commerce and Industry

Ministry of Defence

Ministry of Transport

Task force on application of resolution 1343 (2001)

Central Bank of Liberia

Liberian Produce Marketing Corporation

Forest Development Authority

Diplomatic

European Union Commission

Ghana

India (Honorary Consul)

Bilateral and multilateral agencies

Médecins sans frontières

UNDP

UNICEF

UNOL

UNHCR

ECOMIL, UNMIL

Civil society

Lloyd's surveyor

Private sector

Bivac

Basma

Others

Voa camp for internally displaced persons

Jah Tono camp for internally displaced persons

Fauna and Flora International

Conservation International

Save My Future Foundation

Senegal

Government

Direction de l'aviation civile

Diplomatic

ASECNA

ICAO

Serbia and Montenegro

Government

Ministry of Foreign Affairs

Ministry of Defence

Ministry of the Interior

Federal Ministry of Transport and Telecommunications

Ministry of Transport of the Republic of Serbia

Customs Authority of the Republic of Serbia

Private sector

Interjug AS

Diplomatic

France

UNDP

Sierra Leone

Government

Ministry of Foreign Affairs

Government Gold and Diamond Office

Ministry of Mineral Resources

Ministry of Trade

Ministry of Justice

Customs and Excise Port Authority

National Security Advisers

Sierra Leone Army

Sierra Leone Police

Multilateral and bilateral agencies

Special Court

UNAMSIL

United Kingdom Department for International Development

UNHCR, Kenema

Refugee camps in Gerihun, Jembe, Bandajuma, Gondama, Pewah

Others

International Crisis Group

Mapeh camp of internees

Médecins sans frontières

ICRC

Ukraine

Department of Foreign Affairs

Lviv Airlines

United Kingdom of Great Britain and Northern Ireland

Foreign and Commonwealth Office

Others

Amnesty International

Global Witness

Fauna and Flora International

International Alert

International Transport Workers Federation

The Royal Institute of International Affairs

Lloyd's Register

Private sector

Africa Confidential

Economist Intelligence Unit

Paul Bristol

United States of America

USAID

United States Forest Service

Department of State

Private sector

Citigroup

Jafferson Waterman International

Bilateral and multilateral agencies

Human Rights Watch

Conservation International

IMF

Individuals

Talal Nassereddine (better known in Liberia as Talal Eldine)

United Nations

Department of Political Affairs

Department of Peacekeeping Operations

Office for the Coordination of Humanitarian Affairs

UNDP

Permanent Missions

Bulgaria

France

Liberia

Liechtenstein

Annex III

Letter dated 18 September 2003 from the Acting Minister for Foreign Affairs of Liberia to the Chairman of the Panel of Experts

I am pleased to present my compliments and to refer to your communication dated 10 March 2003, addressed to Mr. Lami Kawah, Permanent Representative of Liberia to the United Nations, submitting to the Government of Liberia a questionnaire sheet on matters pertaining to our compliance with the sanctions regime.

In this regard, you may recall that on 4 April 2003, the Government of Liberia submitted all relevant documents in response to your requests.

However, in view of the recent crisis in Monrovia, most of the ministries and other government institutions were looted and vandalized, thereby making it difficult to retrieve additional documents on the sanctions matter.

With this in view, the Government of Liberia finds itself unable to gather further information on the matter.

(*Signed*) Tambakai A. **Jangaba**
Acting Minister

Annex IV

Death certificate of Samuel Bockarie

C.R. FORM 4

Republic of Sierra Leone

OFFICE OF CHIEF REGISTRATION OF BIRTHS AND DEATHS

Medical Certificate of Cause of Death

FOR USE BY STATISTICAL OFFICE ONLY

Full Name or deceased: SAM BOCKARIE ALIAS MOSQUITO "MASKITA"		Date of death: EARLY MAY 2003	Sex: Male ☑ Female ☐	
Nationality / Tribe: SIERRA LEONEAN	Age (in years last birthday): 40 YEARS	If under 1 year: Months — Days —	If under 24 hours: Hours — Minutes —	
Usual Residence (for infant born in institution: Residence of mother before admission): PAYNESVILLE, REPUBLIC OF LIBERIA				

CAUSE OF DEATH

		Interval between onset and death
I Disease of condition directly leading to death*	(A) GUNSHOT WOUNDS	
	Due to (or as a consequence of)	
Antecedent causes morbid conditions, if any, giving rise to the above cause, stating the underlying condition last	(B)	
	Due to (or as a consequence of)	
	(C)	
II Other significant conditions contributing, to death, but not related to the disease or condition causing it	MASSIVE HAEMORRHAGE	

Name (Rubber stamp) of institution or name of Medical Doctor with address: DR. SIMEON O.B.I. KOROMA, CONNAUGHT HOSPITAL, FREETOWN

Witness my hand this 2nd day of JUNE 2003

Medical qualifications: MD, CONSULTANT PATHOLOGIST

Signature

LABORATORY SERVICES DR. S.O. KOROMA DATE 2/6/03 CONNAUGHT HOSPITAL

"THIS DOES NOT MEAN THE MODE OF DYING E.G HEART FAILURE, ASTHENIA ETC. IT MEANS THE DISEASE, INJURY, OR COMPLICATION WHICH CAUSED DEATH."

S/2003/937

Annex V

Letters from the Government of Nigeria

A. Letter dated 13 May 2002

FEDERAL REPUBLIC OF NIGERIA
FEDERAL GOVERNMENT
MINISTRY OF DEFENCE

Weapons and ammunition department
Area 10,
P.M.B. 196
Garki, Abuja

Item No. 57-054/02

Manager of Weapons & Ammunition department

In according with the regulations of the Federal republic of Yugoslavia, which states that granting of individual export license is dependent on the presentation of an end-user certificate, We declare that the goods supplied by

P.P. TEMEX
Takovska 49a
11000 Beograd
Yugoslavia

consisting of:

1. Machine gun 7,62 x 39 mm M70AB2 (Quantity 5.000)
2. Ammunition 7,62 x 39 mm M67 (Quantity 5.000.000)
3. Hand Grenades M84 (Quantity 10.000)

are intended for consumption/remaining in the Federal republic of Nigeria and will only be used for official military activities.
We declare that we shall not make re-export to third countries without approval of the Federal export office of Yugoslavia.

May 13th 2002

Minister s assistant & Head of weapons and ammunition department

General
Theophilus.Y. Akiga

САВЕЗНО МИНИСТАРСТВО ЗА ОДБРАНУ
СЛУЖБА ЗА ЕВИДЕНЦИЈУ И ДОКУМЕНТАЦИЈУ
УПРАВА ЗА ИСТРАЖИВАЊЕ, РАЗВОЈ И ПРОИЗВОДЊУ НВО
Број _____
_____ 19___ год.
Б Е О Г Р А Д

B. Letter dated 15 June 2002

FEDERAL REPUBLIC OF NIGERIA
FEDERAL GOVERNMENT
MINISTRY OF DEFENCE

Weapons and ammunition department June 15th 2002

Area 10,
P.M.B. 196
Garki, Abuja

Item No. 64-091/02
Note: This document consists of 2 (two) pages

MANAGER OF WEAPONS & AMMUNITION DEPARTMENT

According to regulations of Federal republic of Yugoslavia, which state that granting of individual export license depends on the presentation of **end-user certificate**. We hereby declare that the goods supplied by

P.P. TEMEX
Takovska 49a
11000 Beograd
Yugoslavia

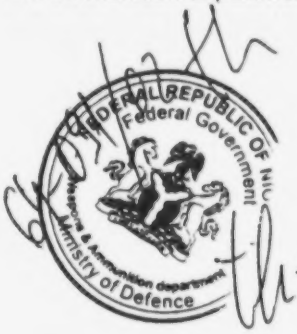
which consist of:

1. Missile Launcher RB M57 90 mm	(Q. 2.000) -
2. RB M57 90 mm mines	(Q. 20.000)
3. Machine gun 7,62 x 39 mm M70AB2	(Q. 4.000) -
4. Ammunition 7,62 x 39 mm M67	(Q. 4.000.000)
5. Machine gun M84 7,62 mm	(Q. 200)
6. Ammunition 7,62 mm for M84	(Q. 5.000.000)
7. Black Arrow Long Range Rifle M93 12,7 mm	(Q. 50)
8. Ammunition 12,7 mm for Black Arrow	(Q. 500.000)
9. Browning Machine gun 12,7 mm	(Q. 50)
10. Pistol CZ99 9 mm	(Q. 1.000)
11. Ammunition 9 mm for CZ99	(Q. 500.000)
12. Automatic pistol M84 7,65 mm	(Q. 1.000)
13. Ammunition 7,65 mm for M84	(Q. 1.000.000)
14. Submachine gun 7,9 mm	(Q. 200)
15. Ammunition 7,9 mm for submachine gun	(Q. 100.000)

are intended exclusive for consumption and remaining in the Federal republic of Nigeria and shall be used for official military activities only.

We declare that we will not re-export stated items to third countries without approval of the Federal export office of Yugoslavia.

Minister`s assistant & Head of weapons and ammunition department



General
Theophilus Y. Akiga

Note: This document consists of 2 (two) pages.

C. Undated letter, No. 119-091/02

FEDERAL REPUBLIC OF NIGERIA
FEDERAL GOVERNMENT
MINISTRY OF DEFENCE

Ship House
Central Area, Abuja
Tel.: 234-9-2340534

Strictly Confidential!

Item No. 119-091/02

To:
Ministry of Defence
Federal Republic of Yugoslavia

SUMMARY

Through our contacts with the Finding Investment Company (FIC), which is engaged in importing for the needs of our government, we have gathered information about causes that led to incident which occured on the Belgrade airport on Tuesday, July 16th, when the airplane IL-76TD (ER-IBE) has been impounded by the Yugoslav authorities. The plane was engaged to transfer merchandise for the Nigerian government. We understand that the action was initiated by misinformation that the merchandise that was supossed to be delivered to Nigerian government actualy went to the third party.
Our contact in FIC has also informed us that Your government has issued request for the verification of whereabouts of particular merchandise. We find that such request is highly inapropriate in relations between two countries. On the other hand, we are interested in our continuing and prosperous cooperation in this field, and we will try to meet those requests to the certain point.
In the previous two month period of our cooperation with FIC, we have obtained several shipments of merchandise. Following is the list of the particular shipments and the items contained:

Date of Shipment	Items:	Pcs.
1. June 1st, 2002.	Automatic rifle 7,62x39 mm	1.000
	Ammunition 7,62x39mm M67	498.960
	Hand grenades M75	2.000
2. June 7th, 2002.	Automatic rifle 7,62x39 mm	1.000
	Ammunition 7,62x39mm M67	1.260.000
	Hand grenades M75	2.496
3. June 29th, 2002	Automatic rifle 7,62x39 mm	1.500
	Ammunition 7,62x39mm M67	1.165.500

4.	July 5th, 2002.	Missile launcher RB M57	100
		Mine for RB M57	4 500
		Automatic pistol M84, 7,65 mm	60
		Pistol CZ 99, 9 mm para	20
		Black Arrow Long Range Rifle M93 12,7 mm	10
		Machine gun M84 7,62 mm	5
		Ammunition 7,62 mm for M84	120.000
		Ammunition 9 mm NATO	11.250
		Ammunition 7,65 mm	75.000

Stated items are intended exclusive for the activities of the Army and Police forces of Federal republic of Nigeria.

With the sincere hope that this may clear any possible doubts that occur on your side.
We wish you all the best.

By the authorisation of
General Theophilus Yakubu Daniuma
Minister of Defence

FEDERAL REPUBLIC OF NIGERIA
Federal Government
Ministry of Defence

Alhaji Lawal Batagarawa
Minister of State (Army)

D. Undated letter, No. 256-099/02

FEDERAL REPUBLIC OF NIGERIA
FEDERAL GOVERNMENT
MINISTRY OF DEFENCE

Ship House
Central Area, Abuja
Tel. +234-9-2340534

Not for public application!

Item No. 256-099/02

To:
TEMEX co.
Takovska 59/a
Belgrade, Serbia

and

Ministry of Defence
Federal Republic of Yugoslavia

DECLARATION OF VERIFICATION

On August 29th 2002 we have received a letter from WAXOM co. (Waduz, Lichtenstein), and also signed by ARUNA IMPORT Co., from Lagos, Nigeria, both companies engaged by TEMEX Co. for the import of military equipment in Federal Republic of Nigeria. In that letter they have requested from our government to issue letter of verification for the received merchandise.
Although we find such a way of communication very uncommon, due to the complexity of matter, we would appreciate if we have kept good cooperation with stated companies, and in the light of that we will meet their demand and hereby issue requested verification.

Following is the list of merchandise arrived in Nigeria in August 2002.

Date of Shipment	Items:	Pcs.
1August 23rd, 2002.	Missile launcher RB M57	100
	Mine for RB M57	1.000
	Machine gun M84 7,62 mm	50
	Automatic rifle 7,62x39 mm	1.500
	Pistol CZ 99, 9 mm para	17
	Ammunition 7,62 mm x 54 mm	92.400
	Ammunition 7,62x39mm M67	526.680
	Ammunition 9 mm	9.000

	Ammunition 7,55 mm	6.000
	Hunting rifle 12M93 »Pumpar«	6
	Hunting rifle »Hammerless« M75/12	1
	Hunting rifle »Hammerless«	1
	Hunting rifle »Bock« M80/12	1
2. August 25th, 2002.	Missile launcher RB M57	152
	Mine for RB M57	1.000
	Automatic pistol M84, 7,65 mm	10
	Ammunition for Black Arrow M93 12,7 mm	5.200
	Ammunition 7,62 mm x 54 mm	183.600
	Automatic rifle 7,62x39 mm	999.180
	Rubber pipelines	2 sets
	Propellers	3
	Rotor Head	1
	Pistol holders	17

We would find it appropriate if there would occur no more causes for such communication between our parties.
In hope that this letter will help prevent any further missunderstanding during our cooperation, we wish you all the best.

By the authorization of
General Theophilus Yakubu Danjuma
Minister of Defence

Alhaji Lawal Batagarawa
Minister of State (A...

24 СЕП 2002

САВЕЗНО МИНИСТАРСТВО ЗА ОДБРАНУ
КАБИНЕТ МИНИСТРА
Е, 1372-4
БЕОГРАД

E. Letter dated 9 October 2002 from the Nigerian Embassy, Belgrade

Telephone: 413-329, 401-315
413-411, 419-814
Fax: 401-305
Telegrams: NIGERIAN BELGRADE

EMBASSY OF NIGER
P.O. BOX 10217
BELGRADE
YUGOSLAVIA

Ref..... NB/C.36/S.1/VOL1

9th October 2002

Federal Ministry of Defense,
Sector For Military Economic Affairs,
Department for Research, development and Production,
Belgrade.

CONFIDENTIAL

Re- ARMS TRANSFER

I am directed to refer to your letter dated 18th July 2002 in respect of the above subject matter and wish to inform you that the Nigerian Government was not the 'End User' of the arms and ammunition as communicated in your letter under reference.

2. Regards.

A.B.A. Johnston
For: Ambassador

S/2003/937

F. Letter dated 28 November 2002

Note No. S/1361/2002

The Ministry of Foreign Affairs of the Federal Republic of Nigeria presents its compliments to the Embassy of the Federal Republic of Yugoslavia and has the honour to refer to the meeting between the Yugoslav Ambassador H.E. MR. Timomir Nenadic and the Permanent Secretary of the Ministry, Ambassador T. Daniel Hart on Wednesday, November 27, 2002 regarding the subject of forged Nigerian END USER CERTIFICATES.

The Ministry of Foreign Affairs should like to use this medium to re-emphasise that the END USER CERTIFICATES purportedly issued by the Nigerian Government for the purchase of arms and ammunition from a Yugoslav Company are NOT, repeat NOT genuine documents. They are forged documents by unscrupulous persons in a desperate effort to achieve their nefarious objectives and thereby tarnish the international image of the Federal Republic of Nigeria.

The Ministry of Foreign Affairs would like to urge the Yugoslav Government to use all the means at its disposal to thoroughly investigate and uncover the principal actors behind this undesirable activity which may have serious implications for Nigeria/Yugoslavia relations if not checked. A copy of a recently forged END USER CERTIFICATE just received is enclosed herewith to aid investigation. It is emphasised that the attached document is forged and its contents are NOT TRUE.

The Ministry of Foreign Affairs of the Federal Republic of Nigeria avails itself of this opportunity to renew to the Embassy of the Federal Republic of Yugoslavia the assurances of its highest consideration.

Abuja, 28th November, 2002.

Embassy of Yugoslavia
7 Maitama Sule Street
S. W. Ikoyi - LAGOS

Annex VI

Photograph of container blocked at Robertsfield International Airport, 6 September 2003